Sharing Behavior and its Relationship with Core Competencies of a Company: A Grounded Theory Approach

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Abstract

**Background/Objectives:** In this paper, we attempt to understand the meaning of sharing behavior and develop the paradigm model of sharing behavior. **Methods/Statistical analysis:** This paper follows a Grounded Theory approach, which is particularly suitable for an exploratory research design to provide an initial illustration of the phenomenon. **Findings:** This paper discovers the meaning of the sharing competency. It is a firm’s collaboration ability within and between organizations that involve cooperation at work to pursue a common set of goals. Also, a paradigm model developed shows the causal phase of company’s sharing behavior and the result. **Applications/Improvements:** The results highlight the importance of sharing competency in the business domain and provide further research directions.

**Keywords:** Competency, Grounded Theory, Qualitative Research, Sharing Behavior, Value Co-creation

1. Introduction

Increasingly, managers are turning to sharing relationships as a means of developing competencies. As a result, sharing capability is receiving significant attention in practice as it is emerging as a new way of gaining competency. A plenty of firms are paying attention to possible ways to utilize the possibilities. Major companies, including P&G, IBM, Starbucks, Ubuntu and Dell, are using ongoing open idea contribution portal to seek product ideas from outside of the firm. Studies on knowledge sharing have focused on the motivations and the key determinants of knowledge sharing within organizations. Sharing among members in an organization is not confined to knowledge, rather it includes various resources such as R&D, advertising, or reputation. Although there has been various research on organizational sharing behavior, the role of sharing capability of firms in affecting their competitive competency seems to be unclear. Despite the increasing interest among academicians and practitioners in sharing competency of a firm, a true and deep understanding of such capability is still lacking. Also, the predominance of silo-based organizational structures provide considerable risks and heavy challenges to managers who want to achieve collaborative relationships\(^1\)\(^-\)\(^2\). For the purpose, this paper employs a qualitative research method and highlights the importance of sharing competency in the business domain and develops a theoretical framework that provides academic and business insights.

2. Theoretical Background

2.1 Understanding Sharing

Sharing behavior can’t exist apart from the notions of exchange and the need for reciprocity\(^1\). It is more than mere exchange. Interaction such as sharing is a mutual or reciprocal action where two or more parties have to depend

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on one another. The internet and related communication technologies which are strong at interaction capability facilitate sharing and integration of resources such as help, advice and useful information.

The resource-based view of the firm explains that sharing activities are crucial to the organization’s property. Sharing occurs when a firm realizes it does not have the capacity, constituency and legitimacy to carry out and achieve its goal alone. Therefore, a firm collaborates with other organizations to fill the gap. For instance, Cavaliere and Lombardi3 insisted that shared asset, such as knowledge is valuable in providing competitive advantage in dynamic environments. Also, all value creation in the marketing is co-creations today and that both service firms and customers are partners who are co-creators of value.

Thus, understanding sharing behavior of the firm becomes a critical managerial concern. However, academic research on the topic is very rare and little. Among the previous researches, Zwass’s model to explain value co-creation is noteworthy. He provides an overview of the research area and proposes a taxonomy of sharing activity. The proposed model includes co-creators, process, characteristics of the task and co-created values. Even though, Chen et al.6 insists that the framework requires ongoing revision and expansion, the taxonomy model provides researchers with an initial understanding of sharing behavior.

In the sharing activities, there are two different types according to the border of sharing activity. They are intra-firm and inter-firm sharing activity. Intra-firm sharing activity is sharing behaviors within the same organizations and includes knowledge sharing, information sharing and collaboration between different functional teams. Knowledge sharing and information sharing are the organizational process whereby various channels of interactions are regarded in the interconnection of individuals to pursue and reach organizational goals through means such as formal and informal meetings, dialogs and social networks. These sharing could be done between firms; however, it is done more frequently within a firm. The sharing behavior keeps information and knowledge up-to-date and serves as a guide for future business action. Collaboration between different functions in an organization is also an important form of sharing. For instance, Le Meunier-FitzHugh and Piercy12 insists that collaboration between marketing and sales functions within the organization will increase business performance, but not many firms have yet achieved collaborative internal functions. The implementation of cross-functional team and related process is key for leveraging the knowledge and skills that exist in the firm to create sharing activities.

Inter-firm sharing activity is sharing behaviors between individual firms. The most common example is strategic alliance. The strategic alliance is an inter-firm model of sharing behavior that allows firms to create value, obtain market leadership, and access new markets by sharing possible resources. Another form of inter-firm collaborative effort can be found in open innovation. Today’s rapidly changing business environment requires firms to explore the use of external source of ideas and innovations to augment in house R&D. Advances in IT technology have made firms more aware of externally created research outcomes and they begin to recognize that external partnering in R&D can create greater value. As a result, most firms try to find an opportunity to do open innovation.

### 2.2 Motivation for Sharing

Black and Synan17 insist that the intense competition in the global market, rapid technological change, and higher consumer demands have prompted firms to look for competitive advantage for long-term survival. Under these unpredictable environments, firms need to differentiate themselves on the basis of sharing behavior. Regarding to this, we have to understand the motivation factors affecting the sharing behavior and management more specifically.

The motivations for sharing activities have been studied by several researchers. According to Lin and Darnall14, Mohsen et al.19, organizations are increasingly participating in these sharing activities for different reasons. The reasons include organizational learning, developing new products, accessing new markets, sharing risk and cost, partnership with channel members, and co-creating customer value. The Resource Based View (RBV) can be used to explain a firm’s motivation to achieve sharing.

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**Figure 1.** Taxonomic Framework (Zwass).
competency. RBV theory has been used originally to characterize firms’ motivation to form strategic alliance behaviors. Firms focus on the access or development of valuable resources that lead to competitive advantage and the leadership in the industry by networking others.

There are extrinsic motivators and intrinsic motivators according to the psychological theories and these motivators are known to affect one’s value sharing activities. Zwass identifies six major motivations for sharing activities. Theses motivations can be classified into (1) individual or altruistic attitude, (2) social recognition, (3) reciprocation in view of contribution by others, (4) social capital accumulation and peer recognition, (5) non-monetary reward and (6) financial rewards. Chen et al. insists that peer feedback and individual connectedness are important motivators. They believe that individuals with a high level of network connectedness are more likely to contribute to the sharing activity because they share a strong sense of belonging to a community.

Martinez identifies three major KSF (key success factor) to open innovation, which is a typical collaborative type between high tech firms. The factors are organizational culture, IP (intellectual property) management, and relationships. Organizational culture includes top management endorsement, key stakeholder support, effective internal communication strategy to explain what open innovation means to the company and human factors like mindset, motivation, reward. IP right management includes a workable system for managing IP rights, focus on making money out of partnership rather than ownership and openness in IP management. Relationships include relationship building and trust, true win-win scenario, alignment of cultures and expectations, flexibility and openness, and identification of proper business reasons for engaging with open innovation.

2.3 Sharing as a Competency

The term competency has not been widely agreed to a single definition yet and researchers have presented several definitions. The concept of competency usually includes observable performance, the quality of outcome, or the underlying attributes. The last definition of competency refers to the underlying attribute of a firm such as its sharing skills and ability. If competency means underlying attribute, then sharing capability can be a type of organizational competency.

There are many antecedents for successful implementation of sharing practices in organizations. The related literature suggests that top management’s support and leadership are strongly associated with sharing activities of a firm, and infrastructure, organizational culture, clear vision and reward systems are also important. Lambert et al. suggests the ‘Collaboration Framework’ to show how collaborative efforts between firms can create value within a business relationship. The Collaboration Framework is comprised of six steps: 1) assess drivers for each company, 2) align expectations, 3) develops action plan, 4) develops product and service agreement, 5) review performance, and 6) reexamine drivers. The continuous process between companies can result in a certain form of company competency.

However, there are possibilities that negative effects of sharing occur. For instance, the tragedy of the commons occurs when organizations seek to maximize their individual benefit of overusing common-pool resource. As a result, the resource is seriously impaired or destroyed, which reduces society’s overall benefits. To prevent this problem, property rights related to common-pool resource should be well defined.

Sharing activity is more than mere interaction. Is sharing capability of firm can be a new and sustainable source of competency? The following research questions are proposed to understand sharing activity within and between the business organizations, and whether the sharing competency is a new type of competency will have discussed in the conclusion part.

RQ1. What is the meaning of sharing competency?
RQ2. What are the key drivers of sharing competency and how they related to one another?
RQ3. What is the action and interaction strategy of firms to get sharing competency?

3. Research Process

3.1 Research Design

The purpose of the research is to explore the roles of sharing competency within the framework of corporate strategy. This study follows a Ground Theory approach, which seems particularly suitable for an exploratory research design to provide an initial illustration of the phenomenon under study. Over the past decades, we have seen an increase in the use of grounded theory.
This research method requires the capability to answer to both why and how questions. This study tries to get the answers to what the sharing competency is, why companies open up their internal systems and how companies try to foster the sharing competency. We gathered the necessary information mainly through a mini group interview and the sample was purposely selected according to the criteria of theoretical sampling. Theoretical sampling means that research participants are selected on the basis of the emerging analysis, and the theory is continuously modified from data obtained from the next participants.

The participants were selected on the basis of the criteria as below and in total, five practitioners had been interviewed:

1) The participants are active in major companies, addressing companies well known for sharing activities.
2) They carry out and in charge of sharing competency related strategy.

All selected interviewees were participated and the interview lasted about two and half hours. This study focused on two leading Korean companies and one global company such as Samsung Electronics, KT (Korea Telecom), Oracle which were in search of sharing competency to be competitive in a rapidly changing market situation. These companies were selected among other possible candidates to show how companies in mature, competitive market are using sharing competency.

3.2 Research Methods

This study adopted Grounded Theory approach, which seems suitable to perform initial research about sharing competency. The interview guide was prepared and revised according to emerging insights during the interview process to allow the moderator’s understanding and sensitivity. After the interview, the analysis process was adopted according to the Grounded Theory procedure. Transcripts of all interviews were analyzed according to the general procedure of the Grounded Theory Method. This method requires three phases of coding: open coding, axial coding, and selective coding. Open coding means a preliminary identification of concepts and axial coding implies the progressive aggregation of codes into the broad category. Axial coding, which is the final coding step consists of the abstraction of data and the interpretive detection of connections among categories.

<table>
<thead>
<tr>
<th>Quotation and Topic</th>
<th>Open coding</th>
<th>Axial coding</th>
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<tbody>
<tr>
<td>“The CEO’s will is important. I think the CEO should build a sharing culture. He should make the rules, and create a culture and norms. And should make his staff members to follow as a leader”</td>
<td>The importance of leader’s role, The necessity of rules</td>
<td>Causal condition, Action/interaction strategy (coping strategy)</td>
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<td>“In case of smartphones, there are a lot of partners who make unique accessories. Their relationships with manufacturers are based on strategic alliance. When the manufacturer began to develop new models of smartphones, the accessory makers start their development process together. It is a kind of co-work. My company has tried these sharing efforts recently”</td>
<td>Connect and develop at the beginning of a new product.</td>
<td>Phenomenon (Increase of creative output)</td>
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<td>“On the contrary, sharing can be uncomfortable. Sharing should be helpful to both companies. For example, we have a bulletin board, but the board is used only by unofficial group members. This information shared are usually something like restaurant ratings, football game and chats. They don’t share about the real work”</td>
<td>Sharing can be uncomfortable, Need for proper sharing activities, Concerns about work efficiency</td>
<td>Phenomenon (Conflicts with personal interests), Action/interaction strategy (Concerns about work efficiency)</td>
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4. Research Result

4.1 Findings

In the section, extracts from the interview are described. These are features that are important for understanding sharing activity, but have rarely been discussed in the previous studies. Analysis of the data resulted in six categories: 1) meaning of sharing competency, 2) causal
conditions, 3) central phenomenon, 4) context, 5) action and interaction strategy, and 6) intervening conditions. The six categories are suggested originally by Strauss and Corbin to relate categories to their subcategories. This prescribed paradigm suggests that when causal conditions exist and influence the central phenomenon, the context and intervening conditions affect the action/interaction strategy that are used to generate certain consequences.

4.1.1 Meaning of Sharing Competency
The first category, defining sharing competency, describes participants’ understanding and conceptualizations of sharing competency. According to the participants’ perspective, our evidence shows that sharing competency appears as a new and multi-dimensional concept combining relationship, collaboration, co-creation of value, relationships, synergy and firm’s competency. For instance, when talking about the meaning of sharing, a participant stated as bellows.

“Sharing competency is not a familiar term yet, however, I feel it has something to do with relationship building with people and business partners”.

Another participant expressed a more explicit conceptualization of sharing behavior:

“I guess sharing competency is a new source of competency of a firm based on win-win relationships”.

Based on the descriptions, this study defines sharing competency as a firm’s collaboration ability within the organization and between organizations that involve cooperation in work, co-development, and co-creation of value to pursue a common set of goals. And sharing competency orientation is also defined by the authors as the tendency in the organization to encourage, facilitate and reward sharing behavior, both within the organization and between firms with the motive of creating competitive advantages.

4.1.2 Causal Condition
It is important to illustrate what are the backgrounds and drivers about sharing behavior in business circumstance. The second category, causal condition, reflects interview participants’ views regarding the top manager’s leading role, organization culture, and the consensus between members, which are critical for sharing behavior.

“To stimulate cooperative behavior, I believe a firm needs CEO’s determination. Actually, CEO is a mentor of organization culture. He makes the rules, norms and affects everything and sharing culture is no exception. Once he determines, members will follow him.”

As this quotation shows, top manager’s role is the most important, as he produces the necessary atmosphere. In this sense, top manager is a role model and resource integrator and has a leading role that connects people and firms. There is no doubt that other conditions like fits between sharing and organization, and effects of employees’ individual sharing capability are also fundamental for the initiating sharing behavior.

4.1.3 Central Phenomenon
The third category, central phenomenon, describes participant’s ideas regarding the core phenomenon of sharing behaviors. The category is characterized by the following properties: 1) positive phenomenon, 2) negative phenomenon, and 3) neutral phenomenon. Most participants in this study explicitly talked about the positive side of sharing behaviors. The positive phenomenon includes knowledge sharing, usefulness for problem solving, operational efficiency, and increased creativity at work.

“Sharing is useful when you try something new, try something very different from what you have done until now. When you have to do challenging task, there are supposed to be a lot of troubles and obstacles. This is the very moment you need collaboration with others”.

Another issue of phenomenon emerges in this study. Nearly half of the participants worried about the negative side of sharing behavior. They talked about the vague definition, conflicts with personal interest, difficulties in measuring the performance and misunderstanding of sharing competency.

“It is not easy to find a good way to evaluate sharing performance. The company keeps asking people share more information and spend more time together. But, the company doesn’t understand how they can make sharing happen and how they can give feedbacks to people about their sharing efforts. It is because there are no proper ways to evaluate sharing behavior. Once, we counted the number of emails between team members to evaluate sharing behavior, however we are not sure if counting e-mails is a proper and ethical method.”

Also neutral phenomena like a limitation on the scope of sharing, and creation of informal sharing is found.

“As sharing activities are increasing, unexpected phenomenon is also increased. For instance, now we are witnessing more unofficial blogs of our employees. They share both their job experience and personal interests through the blog site
that the company can’t control. Some sharing behaviors are out of control. Is it good or bad? Sometimes, it is confusing”.

4.1.4 Context
The fourth category, context, discusses the interaction and communication during sharing behavior. One of the most commonly referred interactions is mutual reciprocity between the sharing parties. One participant summarizes this and stresses that as bellows.

“When the involved firms are equal in their powers and positions, co-work tends to produce much better outputs. You must have something good in your hands to ask other people give their precious things to you. It is a deal. When your company is smaller and weaker than your collaboration partner firms, you will be ignored”.

The importance of feedback about the sharing behavior is also addressed.

“In many cases, there is very little feedback about the sharing behavior. It seems that the company doesn’t care about the results of sharing behavior. If they pay more attention and try to give proper feedback to people at the right time, the importance of sharing behavior will be understood by people very easily. But, unfortunately, it is not like that”.

4.1.5 Intervening Conditions
Another hope stems from the system (e.g., IT tools and infrastructure) and organizational culture that will have a positive impact on the sharing experience.

“The company is using information technology like intranet and groupware s/w very aggressively for information sharing. No matter who you are and where you are, if you are a member, you can give and receive what you need via internet instantly. That is changing the way of doing business dramatically.”

However, tensions stem from the fear that old and bureaucratic organizational structure will have a negative impact. One participant describes the problem.

“We don’t have an official intranet system for information sharing because it would be against information protection. Information is the source of competency in the industry that my company belongs, and information sharing means that we give up our precious assets or unauthorized people can get access to it more easily. So we think we don’t need to be in a hurry to have the sharing system”.

“Some people keep really valuable information inside their cabinet to prevent the information from being shared. They allege that the information is going to be more important only when it is in secret. I can’t deny that even though I don’t like the idea. Those people usually get more salary and get a better job”.

4.1.6 Action/Interaction Strategy
Supporters of sharing competency perform a positive action and prepare good coping strategies. For instance, most participants understood the importance of sharing behavior and had a positive attitude toward that.

“To go to the bright future together, companies must develop cooperative relationships with other companies. It is no doubt that we can’t go further if we are alone.”

However, sharing competency not only creates positive performance, it also generates new concern between organizational members. One of the participants describes how this tension is created and spreads as bellows.

“When I have to do work with other people, I feel I am inferior to them. There are lots of able men who are much better than me out there. I hate to admit, however, I am not that important people.”

“I worry about M&A between more than two companies who can co-work very well. If they can produce better performance when they work together, why they have to exist separately? If they do M&A, you can lose your job, maybe.”

As a result, to avoid the negative attitude toward sharing behavior, each firm develops several coping strategies. For instance, they employ an evaluation system that is related to sharing behavior and personal incentives for sharing behavior is prepared. Also, the firm changes organization structure and provides employees with clear role and responsibility.

“If you upload more files to share to the intranet, you can get better grades in your promotion evaluation in my company. It surely stimulates people’s participation and make people be kind to other people’s asking information”.

“Organization culture is more important than mere IT systems. For instance, there is a very good intranet system in my company, but people believe only trash information has been uploaded because other people in other departments can steal my precious ideas if I upload really good ones. That’s why we need positive organizational changes to share better.”

4.2 Conceptual Model Generation
The application of Grounded Theory has resulted in a conceptual model that is showing the causal phases of company’s sharing behavior and the result. The paradigm model explains sharing activity as a multi-causal
5. Conclusion

5.1 Discussion

In a qualitative study, grounded theory approach can be useful in providing insights. In line with both interview results and previous studies, we find that sharing competency is a multi-dimensional concept. Our research suggests that sharing competency is based on a firm’s collaboration ability within and between organizations to pursue a common set of goals.

Also, the theoretical model developed in this research suggests that the causal conditions (positive condition, negative condition) shape central phenomenon (positive, neutral, and negative phenomenon) while the context (interaction and communication) as well as intervening conditions (positive and negative condition) influence the strategies (action and coping strategy) to bring a set of consequences.

Our study is original since it is focused on sharing competency in the business relationships, and highlights its possibility to be a new type of firm competency. The multi-phase model of sharing activity is first proposed in the study and suggests that sharing activity is a common business practice already and has a strong possibility to be a new competitive competency.

This study also found that sharing activity can be initiated by top manager’s leadership, cooperative work style and consensus of the employee. By promoting sharing activities, the company can expect both positive and negative effects. Positive effects are better efficiency and outputs. However, there are negative effects such as confusion, disputes and so on. In the final phase, this research reveals that a company can develop action and coping strategy to obtain sustainable sharing competency.

Practitioners see sharing competency as a very new and difficult concept to be realized and to be managed, for which they feel themselves to be not ready enough. Thus, sharing competency requires for practitioners a long-term strategy aimed at building mutual trust and mutual reciprocity, even though there seems to be only day-to-day tactical approach to sharing competency.

5.2 Limitation

Regardless the findings of this study, there are several limitations. The study is limited to the perspective of Korean firms. As a result, our proposed conceptual model is preliminary and needs further research. This study uses a limited number of samples and thus, generalization of the research findings will be limited. As a result, this research needs to be expanded to more general settings. Also, the potential differences between industries are not considered in this research. Finally, the theoretical propositions presented in this study should be tested quantitatively so that practitioners can get a better understanding of sharing competency.

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7. References