

# The Concept of Information Sharing Behaviors in Complex Organizations: Research in Latvian Enterprises

Andrejs CEKULS  
Faculty of Business, Management and Economics, University of Latvia  
Riga, LV-1050, Latvia

## ABSTRACT

The purpose of this paper is to explore the factors influencing behaviors of information sharing in complex organizations. Evaluation of the previous studies on provision of information turnover process and the role of organizational culture in competitive intelligence of business environment in Latvia indicated the trends that employees of Latvian enterprises lack incentive to share information.

Tasks of the study were to research the basis of the review of scientific sources and study aspects influencing habits of information sharing in complex organizations. For this particular study, the focus group is selected as the most appropriate data collection method for high-quality research.

To find out individuals' opinions and attitudes two focus group discussions were carried out. Members from various industries and with different employment period were included in discussion groups. In aggregate, opinions of the employees from 41 different companies were summarized regarding the aspects affecting the process of information sharing in organizations.

Results of researches show that that influence the sharing of information are closely related to the values: interpersonal trust, organizational trust, and organizational identification, support, fairness etc. Results of discussions showed that it is important for a manager to be aware of the factors affecting the performance of the organization. To identify the need for changes, a manager should follow events in the environment and analyze the extent, to which they affect the performance of the organization.

Complexity science suggests that maturity to changes emerges when the system is far from balance, but the tension makes to accept changes.

**Keywords:** information sharing, complexity, organizational culture, organizational learning, structural change.

## 1. INTRODUCTION

The dynamics related to today's informational environments are far more complicated than those of fifty years ago. Human reaction and the ability to process new information compound these conditions of complexity [3]. Complexity is a concept that has been discussed by many scientists and scholars. It seems that complexity holds a strong connection to our perception of the world [4].

Most researchers on complexity identify three zones of systems. Take the example of collaboration between

employees. In a simplified way, cooperation can be described as a process in which a number of people work together to carry out certain tasks and reach common goals. In the first zone, the participants evaluate relatively simple information and take simple by a high degree of commitment. If we assume that the scheme of decision taking between the participants become more complex, there is a possibility enter the zone of complex processes in which reactions are not simple to predict. Finally, if the level of cooperation even decreases even further, a large possibility occurs to enter the zone, in which chaos theory applies. Based on reductionism (split a problem into smaller units, then solve) in thinking, people are inclined to shift the problems, to simplify and take down uncertainties in order to move to a simple system. For example, the mechanical system boundaries are clearly defined: the flow of information sharing processes is going from point A to point B. Complex systems typically have vague boundaries: for example, people can simultaneously be members of multiple systems, and the habits of the flow of information sharing processes can become significantly complicated. Complex system can adapt its behavior over time.

Complexity science suggests that it is often more efficient to test several approaches gradually, to allow changes to the system, to observe and draw attention to the things that seem to work best.

In place of regarding information sharing in a mechanical system, complexity views information sharing behaviors as result from complex, dynamic, and unique interactions between components of the management system.

The fact that complex systems interact with other complex systems creates tensions and paradox that nothing can be fully resolved. In complex social systems, such apparent opposites as competition and cooperation often work together in a positive way: fierce competition in the industry can improve the collective performance of all employees. Complexity science suggests that maturity to changes emerges when the system is far from balance, but the tension makes to accept changes. Neither the system nor the external environment is not and will not ever become constant.

## 2. COMPLEXITY OF INFORMATION SHARING

Complexity arises when organizations act under influence of informational environment and human ability to process new information. The acceleration of development is accompanied by an increase in the information needed to keep in line with all the changes. This leads to emotional, psychological and social problems. The process ends with feedback which routed back as input. This approach has been use since the beginnings of

cybernetics but is largely ignored today in favor of more complex representations of information processing in organizations, which could be mapped to all the information processing.

Thus, feedback should reveal information of value and support organizational learning. But to benefit from what might be learned, any cognitive researcher worth his salt will state that you must have a receptive learner. If there is something to be learned via new information, nothing will be accomplished if an organization persists in relying on old system approaches that will not tolerate and do not support innovation [3].

The process of interactions is very complex. At every instance at which the information is received and not just transferred further, alterations occur and information disappears. As a result of information sharing, a message can be interpreted, it can be supplemented by additional information, or it can be split into smaller amounts of information. The sender of information sender can make a choice and transfer the information at random. In such case, the information will be selective and subjective.

Every human through whom the information is forwarded and every act of processing it is likely to change it slightly; The less information that is left of the original one when it reaches the decider of the organization, which the information system serves, the more complex the information system is [1].

While it is recognized that certain advantages are also obtained due to information sharing, people are unwilling of sharing. Various reasons hindering knowledge circulation are mentioned. Results of research of knowledge sharing in a complex organization show that work experience, training, intrinsic motivation, job autonomy, location, and management support influence the level of knowledge sharing behavior, as well as work location is an important conditioning variable [5].

Mutual trust, developed through timely self-disclosure, was found to offer psychological safety for employees to share information more openly [8].

Several forces may hinder the development of trust among group members, for example, individual (the risk of trusting others, personal selfish interest, interpersonal communication etc.), or organizational (organizational structure, organizational culture, negative trust events etc.), or societal (moral values etc.).

Nonaka I. [6] thought that successful companies are those, which constantly create new knowledge as solutions to unfamiliar problems, distribute them all over the organization and before long, apply for development of new technologies and products. At the same time, Weick K.E. [7] noted that very few people seek for knowledge actively, and emphasized that most people seek for knowledge reactively, connecting it with their task and if it is necessary for completion of the task. When information is successful delivered, its concepts, related to similar messages, work to strengthen it as a candidate for knowledge within the organization, and knowledge is the basis for action [3].

### 3. PROBLEM STATEMENT

Evaluation of the previous studies on provision of information turnover process and the role of organizational culture in competitive intelligence of business environment in Latvia allows formulating several presented problems: (1) Latvian enterprises lack defined systems for information turnover: the emphasis is mainly placed upon definite solutions in unique situations; information gathered within short period of time, as well as that obtained spontaneously upon request is used for analysis. (2) The communication framework and lack of interrelation existing in enterprises do not contribute to the information sharing. (3) The information sharing process in Latvian enterprises is inherent of weak informative and reversible links. (4) The corporate culture of enterprises does not encourage sharing of information.

Research should find out possible reasons of the presented problems, and therefore the following issues of the study are proposed: what units of contents describe the information sharing behaviors in Latvian organizations?.

### 4. METHODOLOGY

To find out individuals' opinions and attitudes regarding aspects influencing habits of information sharing in Latvian enterprises, two focus group discussions were carried out: members from various industries and with different employment period were included in discussion groups. Group discussions were attended by 41 persons representing staff and specialists (Group No.1, 21 persons) and management of different levels (Group No.2, 20 persons). Selection of group members was subject to the requirement to represent large and medium-sized companies.

Results of the focus group discussions, possibilities of their interpretation and application should be repeatedly considered and weighted.

### 5. RESULTS

Today, the environment – economics, social conditions, technologies – are rapidly changing, and an organization has to be able to survive and develop; therefore the organization shall follow the information the competitive environment and be able to introduce alterations. The participants emphasized that changes denote a constant adjustment of one's activities and search for new opportunities. The organization will never be successful where its management fails to notice changes or is unable to foresee them in future.

The participants of the discussion agreed that a manager shall have sufficient and justified information in order to take a decision. Introducing of change is not effective just for the sake of change. Implementation of unnecessary changes, i.e., if such changes do not support attainment of the goal, can hinder development of an organization.

The main types of changes nominated by participants of the discussion were as follows: change in strategy, change in organizational culture, structural change, technological change etc.

Results of discussions show that it is important for a manager to be aware of the factors affecting the performance of the organization. Participants of the group believe that a manager has to obtain information about changes in the surrounding environment, analyze the information and revise goals or tasks in case the changes affect functioning of the organization. It doesn't mean abandonment of the intended direction, but early detection of problems or opportunities and search for new solutions or adjustment of the existing solutions.

Participants of the group of specialists and staff disclose that companies have no special database or access to summarized information of business environment. An employee of a company expressed the opinion that "the process of information sharing in company basically takes place in a narrow circle – it is dealt by the marketing department, so employees have little involvement in the process; it is possible that administration later informs specialists of other departments" or "the information sharing in company is rather limited for the staff, because an employee has no real ability to alter or to decide anything..." Most of employees also said that turnover of information is not interactive, and it does not provide sharing and interaction of information between staff and management. A group member expressed the opinion that "employees are not really involved in information gathering".

The discussion revealed, e.g., that an employee and administration have various aims for acquisition of information, as well as different sources for obtaining information and different further application of it.

Participants emphasized that "nowadays, the ability to manage employees' behavior is not sufficient; it is necessary to manage what people think, feel and express, i.e., the general mood of the organization." Thus there is the need to introduce a system of common values, norms and rules.

For successful information sharing, in its turn, strict distribution of functional roles is required, as well as a widely branched system of laws, regulations and instructions. Some participants of groups agreed with the opinion that "unless the company values are clearly defined to the employee, he/she can fail to understand and fulfill them. It depends on firmness of control"; "for managers, values are items established by statutes etc., but an employee can leave these values unnoticed. Employees' values can manifest in the process of self-activity." During the discussion, an opinion was expressed that the process of information sharing depends upon employees' loyalty to the company, e.g., "the employee is interested to share information if he/she intends to develop his/her career at this company, if he/she cares for what goes on at his/her company, or if the employee's remuneration or other benefits depend on the company's performance."

In accordance with the group members' views, qualified, loyal and motivated staff is a resource providing efficient economic processes of the company.

Trust and honesty are often referred to in the discussion as a particularly important aspect of change implementation.

Group members believe that a prerequisite for trust building is that managers regularly inform their subordinates on what goes on at the company, creates a feedback, explains various decisions and organizational principles, e.g., "trust helps to

avoid communication problems among employees; trust in manager is a basis of successful operation of the company, as it facilitates cooperation." Employees, in their turn, should be able to provide the manager not only with the positive, but also the negative information, e.g., "...trust relieves of the "sense of fear" or "trust promotes confidence to express one's views and observations." Participants emphasize that trust and honesty are largely associated with an employee's feeling of being valued. During discussion, the opinion was expressed that trust in manager is affected by the time worked for the company: how long the employee works with the manager, manager's confidence in the employee and engagement in decision-making.

In order to have positive information sharing at the company, it should flow in both directions. Absence of trust between the manager and staff in an organization affects employees' motivation and makes it difficult to move towards common objectives. During the discussion, opinions were expressed that "...information sharing behaviors at the company can increase employees' loyalty and adherence to the company; involvement of an employee in the process of information sharing will motivate him/her to achieve the objectives."

However, an opposite opinion was also expressed that "it is not always beneficial for an employee to provide knowledge and to be absolutely loyal", or "information and knowledge sharing can affect personal interests." The expressed opinion was based on the fact that organizational environment not always facilitates adherence to the organization, therefore knowledge is each employee's capital in the labor market.

Whereas the most frequently mentioned aspects influencing habits of information sharing in Latvian competitive environment are summarized in the Table 1.

Table 1.  
Aspects influencing behaviors of information sharing in Latvian organizations.

Aspects influencing behaviors of information sharing	Citations frequency
Introduction of common values, norms and rules	38
Trust	39
Clare defined values	40
Changes: <ul style="list-style-type: none"> <li>• hange in strategy</li> <li>• hange in organizational culture</li> <li>• tructural change</li> <li>• echnological change</li> </ul>	37
Confidence	17
Interpersonal trust	31
Organizational trust	37
Involvement in decision-making	31
Strict distribution of functional rolls	25
Motivated staff	21
Managers regularly inform subordinates	27

Open communication at the vertical (management - staff) and the horizontal (employees - employees) level	37
Support	24
Respect	16
Justice	16
Loyalty	23

When creating the information turnover system in the organization, not only some additional element of human resource management should be focused on, but such business environment should be built, which would stimulate and support processes of information sharing.

## 6. DISCUSSION

In order to stimulate the process of information sharing, a range of various hierarchic activities shall be done: e.g., control of processes, systematic addressing of issues, creation of schemes for decision-making etc.

It is important that management provided employees with feedback and objective assessment of employees' ideas and proposals. People want to be aware that management has noticed their contribution.

The purpose of group discussions is to obtain a range of opinions on the process of effective information sharing. These are summarized in the Table 2.

Table 2.

Citations of discussion and aspects influencing information sharing.

Citations of discussion	Aspect influencing information sharing
<i>implementation of unnecessary changes, i.e., if such changes do not support attainment of the goal</i>	Open communication at the vertical (management - staff) and the horizontal (employees - employees) level, Changes
<i>companies have no special database or access to summarized information of business environment</i>	Strict distribution of functional rolls
<i>the process of information sharing in company basically takes place in a narrow</i>	Open communication at the vertical (management - staff) and the horizontal (employees - employees) level

<i>circle</i>	
<i>employees have little involvement in the process</i>	Involvement in decision-making, Support
<i>the information sharing in company is rather limited for the staff</i>	Involvement in decision-making, Organizational trust
<i>turnover of information is not interactive</i>	Involvement in decision-making
<i>an employee and administration have various aims for acquisition of information</i>	Organizational trust, Interpersonal trust, Loyalty, Support
<i>knowledge is each employees capital</i>	Loyalty
<i>trust in manager is affected by the time worked for the company</i>	Interpersonal trust, Organizational trust, Clare defined values

Results of discussions showed that it is important for a manager to be aware of the factors affecting the performance of the organization. Teamwork requires awareness and balance of each employee's individual knowledge, skills, personal qualities and values with the common organizational values and goals.

During discussion, group members expressed ideas and beliefs based on their personal experience that inefficient communication in many organizations is the main reason of problems. Communication should not be unilateral – there must be feedback. Participants also emphasized that "information turnover should be timely", which a substantial prerequisite for knowledge is sharing to have an added value in the organization.

Participants emphasized that nowadays, information technologies are widely applied, but the human factor should not be forgotten. If communication is not efficiently managed, an information gap occurs filled by inaccurate information or rumor, which does not create a motivating environment and do not facilitate achievement of goals. If information units are connected with each other, analyzed or otherwise processed, knowledge originates. But knowledge can be only acquired through information, its distribution and use.

## 7. CONCLUSION

The knowledge in the organizational context is information integrated in a common system, easily available and used for ensuring operation of the organization. Previously expressed information can be supplemented by new information due to its sharing among people during conversations, and it can again become source knowledge stored in memory. Information is seen as the basis for each separate employee's decision making and action. Depending on this basis, the employee will be able to select the action most suitable to the situation. In its turn, knowledge originates from the data transformed through context into information, and from information transformed through experience into knowledge. As a result of employees' interaction, transformation of information from an individual's knowledge into common organizational knowledge is ensured. Transformation takes place in the process of activity as people share their information.

One of the most important internal communication functions is involvement of employees in decision-making and expression of their views and ideas, for which a space should also be provided in the strategy of internal communication.

## 8. LIMITATIONS AND IMPLICATIONS FOR RESEARCH

Neither conclusions regarding the reasons, nor generalizations can be made on the basis of these opinions or views, because the number of participants is small; the range of the expressed opinions, however, is wide enough to gain a picture on the various aspects of the investigated phenomenon.

## 9. REFERENCES

List and number all bibliographical references at the end of your paper. When referenced in the text, enclose the citation number in square brackets, for example [1]. Where appropriate, include the name(s) of editors of referenced books.

The following is an example of the recommended style for references.

- [1] Backlund A., The concept of complexity in organizations and information systems, **Cybernetics**, Vol. 31, No. 1, pp. 30-43, 2002.
- [2] Bates M.J., Information and knowledge: an evolutionary framework, **Information Research**, Vol. 10, No. 4, paper 239, 2005.
- [3] Desouza K.C. and Hensgen T., Managing Information in Complex Organizations: Semiotics and Signals, Complexity and Chaos, Armonk, NY: M.E. Sharpe, Inc., 2005.
- [4] Flood R.L. and Carson E., Dealing with Complexity. An Introduction to the Theory and Application of Systems Science , Plenum Press, New York, 1993.
- [5] Nesheim T. and Gressgård L. J., Knowledge sharing in a complex organization: Antecedents and safety effects, In **Safety Science**, Vol. 62, pp.28-36, February, 2014.
- [6] Nonaka I., The knowledge-creating company, **Harvard Business Review**, November–December, pp.96–104, 1991.
- [7] Weick K.E., Sensemaking in Organizations, Newbury Park, CA: Sage, p.237, 1995.

[8] Yeo R.K. and Marquardt M.J., **Knowledge Management Research & Practice**, Vol. 13, pp. 311-328, August, 2015.