Eliminating Barriers on Knowledge Sharing through Communication in MCC:
A Mechanism of Performance-Motivation Control

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Title
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Abstract
This paper reports results of a qualitative case study of motivation and obstacles to consultant participation in knowledge sharing practices at UniTax Certified Tax Agent Co., Ltd, a mature management consultant company which has ten subsidiaries in most developed cities in China. Management consultants share their own, proprietary professional knowledge to guide the identification of problems, and to give recommendations for more effective/efficient methods of performing job tasks. The task that management consultants perform is mostly project-based. Knowledge is core asset to management consulting companies and knowledge management has become a hot issue in modern days. Thus raises a need for bridging barriers when sharing knowledge in management consulting company. In this paper, by conducting a case study, it explores people’s perceptions of knowledge sharing through various communication channels in the frame of management consulting company, and to seek a relationship between performance incentive and knowledge sharing action within the same context.

In this study, a literature review has been performed for purpose of clarifies main concepts, followed by a questionnaire analysis. Twenty consultants participated in the questionnaire about their individual perceptions and opinions on knowledge sharing through communication in UniTax. The results indicate that, even though consultants believe they have satisfied communication among each other, uncertainties such as knowledge complexity and information asymmetry are still not to be neglected. All the questionnaire participants agree that it is their responsibilities to contribute knowledge for the interest of the company. However, sharing knowledge appears to be different when it comes to different context—limited knowledge is shared between consultants from different project teams—they tend to shy away from contributing knowledge for various reasons.
Specifically, consultants hesitate to contribute knowledge out of fear of information lease, competition of inner market of promotion, etc.

Based on the identified communication barriers for knowledge sharing in UniTax, a gap analysis has been performed against Ipe’s knowledge sharing model. After a study of employee’s motivation factors, it is recommended for UniTax to implementing the compensation structure to motivate the knowledge sharing.
Acknowledgement

This paper would not have been possible without the contributions of a number if individuals who helped me in a variety of ways. The original germ of the idea for this paper goes back to Yong Zhang at UniTax (China) in 2011. But this paper would have died without fruition if it were not for the enthusiasm of Lotta Snickare, the supervisor of my degree project, combined with the opportunity provided by Yun Wang—chairman of UniTax, in the spring 2014.

I am extremely grateful to my supervisor Dr. Lotta Snickare who has encouraged and supported me consistently all through the process with her experience and knowledge. The patience and wise guidance of her has made the development of this paper not just feasible but actually enjoyable.

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1. Introduction:

1.1 Background
By the end of the twentieth century, an entry-level position in a management consulting company was not only a secure job to acquire after graduating from university, but also a partnership within one of the prime management consulting firms had become the underlying step of jumping to the very highest executive positions (McKenna C., 2006).

Management consulting implies practices of helping companies improve their performance primarily through the analysis of current internal problems and developing plans for improvement (McKenna C., 2006). By this approach, companies get access to the consultants’ unique expertise and receive external objective advice (Alvesson, 2000).

Management consultants are now widely used by management in all major industry fields and they afford professional services in various divisions such as company strategy, marketing, logistics, information technologies, quality practices, re-engineering, human resource management, accounting and financial strategies and practices (Jang & Lee 1998; Gozlu & Coskun, 2006; Greiner& Ennsfellner, 2010; Payne, 1987). They are called on by all kinds of companies, organizations, and corporations to advise them on their problems. Also consultants provide strategic innovation via methodical reason, inquiry and the capability to ascertain changes that need to be made (Madhavan, 2008). Management consultants basically share their own, proprietary professional knowledge to guide the identification of problems, and to give recommendations for more effective/efficient methods of performing job tasks. The task management consultants perform is mostly project-based.

Many researches have determined the great value that management consulting company creates. With plenty advantages of using management consultants—to apply expertise, knowledge and new methodologies; to provide extra resources; to propose updated solutions to the company’s problems; to behave as an external moderator; to attract an independent and neutral perspective to the company; to legitimize outcomes (Poulfelt & Payne, 1994) – an effective mechanism would definitely be wildly needed in order to ensure the qualified output objects/services and retain their key personnel making commitment and performance significant (Alvesson, 2000).

Through consulting assignments, consultants are connected to different companies in
various industries. Because of this central position, consultants are aware of numerous business problems as well as larger amount of solutions (Creplet et. al. 2001). To such consulting companies, well-organized, fully systemized and correctly deployed knowledge is no doubt core competence.

Knowledge flows include the creation, transfer and integration of individuals’ ideas, insights, experiences and skills (Cabrera & Cabrera, 2005). One of the key issues in knowledge management in management consulting companies is to ensure the knowledge sharing efficiency.

Transferring knowledge from one unit to another in management consulting companies can enable organization members to exploit lessons that have been learned in previous work by exchanging information and advice through informal communities of practice, solve technical problems more effectively by comparing experiences and telling stories, benefit from the firm’s best practices, and explore new ideas and develop creative solutions through brainstorming (Haas & Hansen, 2005).

Several researchers hold the same proposition. Madhavan (2008) noted a main objective of professional communication that people often fail to recognize is not to deliver information, but rather to stimulate the right action. He believes a good consultant needs to know the right tone, timbre, timing, and presentation techniques for delivering what needs to be said.

Many researches (Ipe, 2003; Hendriks, 1999; Nonaka & Takeuchi, 1995) have determined the significance of knowledge management in management consulting companies and how important it is to wisely use the knowledge they have since it is their primary competitiveness.

In fact, consultants are supposed to have more experience and knowledge since they occupy, by the very nature of their activity, a privileged position in several companies (Sarvary, 1999). As noted by Sarvary: “through the consulting assignments, the consultant is connected to many firms in different industries. As a result of this central position, the consultant is aware of a large set of business problems as well as a large set of solutions”. In such firms, different forms of knowledge are capitalized and exchanged. These pieces of knowledge come both from experiences gained in missions carried out in client firms and from codified sources (Creplet et. al. 2001).
Furthermore, information according to clients can be shared during internal communications (Madhavan, 2008). On one hand, consultants need to gather information about clients in order to manage the tasks well as required—to pursue smooth client cooperation and management support. On the other hand, consulting relies heavily on building a sound relationship with clients, through care and attention. It is important not to jeopardize any relationships through a major conflict or even a simple miscommunication or misinterpretation of information.

Nowadays in most management consulting companies, knowledge-sharing behaviors are considered in performance measures and help identify bonuses and promotions (Lee & Ahn, 2007).

If communication can offer such valuable help to knowledge sharing, how can such firms ensure communication efficiency? And how to motivate individual’s share their knowledge through communicates? Would it help if put knowledge sharing criterion in performance appraisal?

Little research has focused especially on knowledge sharing in content of management consulting company, and no one has come to any result of motivations to knowledge sharing through communications. Thus in this paper, by conducting a case study, I will explore people’s perceptions of knowledge sharing through various communication channels in the frame of management consulting company, and to seek a relationship between performance incentive and knowledge sharing action within the same context.

1.2 Objective and Purpose
My major objective is to gain a detailed understanding of underlying reasons of communication barrier, and my purpose is to understand what is the influences of proper rewards on knowledge sharing.

Starting from various aspects of barrier definition, especially when applied to management consulting company, this study investigates the relationship between communication barriers and knowledge sharing behavior, explores a conceptual model of performance-based motivation control. More specifically, the aim is to analyze the way in which communication barrier affects knowledge management and, in turn, corporate performance.
1.3 Research Questions
By collecting required first-hand data and performing an analysis of twenty questionnaires from consultants working in a management consulting company with professional experience from 2 to 15 years—the following research questions are answered:

- What are management consultants’ perceptions about communication barrier and knowledge sharing?
- How is knowledge sharing embedded within the performance-management context on which they rely?
- How do consultants make decisions regarding knowledge sharing when giving better rewards?

1.4 Limitations
This paper is based on results of twenty questionnaires of individuals working in management consulting company. Although this number is clearly not enough to statistically back strong theoretical assertions, it nonetheless allows me to propose insights worth further investigated.

It is fully acknowledged that presently this work needs more thorough empirical grounding and this empirical study needs deeper theoretical development. However, I believe that this paper affords a first set of proposals concerning management consulting company, their behavior and their role in the current economic environment.

In this research, a case study was made in one management consulting company in China. Thus it is limited in China, and Chinese management consulting companies. It might involve certain culture impacts. The results of this study might not apply to other companies or different from situations in other companies, as the conclusion was drawn from only one company.
2. Theoretical framework and literature review

2.1 Concepts and Interpretations of Information and knowledge

Before the questionnaire was designed, I noticed that both information and knowledge could be delivered in process of communication among management consultants. In this section, the questions of how to define these two concepts and why they are important for management consulting companies are answered.

Nowadays, concept of knowledge in companies has become increasingly popular in the literature. Lam (2000) noted that knowledge is *part of an organization’s knowledge that resides in the brains and bodily skills of the individual* (p. 491). It has been seen as the most significant resource of companies (Ipe, 2003; Hendriks, 1999).

Knowledge is thought to be *useful or will add value* in an organization setting. Sometimes knowledge is viewed as information that consultants gain through historical experience and personal training. Also knowledge is seen as judgment that individuals develop over time that helps them to deploy that information effectively in order to offer client services. Furthermore, knowledge does not only refer to technical or product related expertise but also means the knowledge of clients or industries and how they act. Thus knowledge takes extraordinary configurations as it accumulates over time relying on the past development of the company (Morris & Empson, 1998). There are three types of knowledge that are vital to value creation in one company—know-how, know-what and dispositional knowledge (Løwendahl et. al. 2001). Know-how refers to experience-based knowledge that is subjective and tacit; know-what refers to task-related knowledge that is relatively objective comparing to know-how; dispositional knowledge includes personal knowledge that contains talents, aptitude and abilities. Knowledge is created through interaction between individuals in one organization (Nonaka & Takeuchi, 1995). They expressed that only when knowledge is shared with others, it could contribute to organizational effectiveness.

Specifically in consulting industry, the information source is including: *existing consulting relation; colleagues/business partners; other firms, references; consultant, direct marketing; press; congress, fair; industry association; chambers of commerce; consultants directory; consulting association* (Glückler & Armbrüster, 2003). Ipe (2003) identified information is the *flow of messages*, and knowledge is created when this flow of messages interacts with its holder’s beliefs and commitments.
This study adopts concept of information as message flows containing public data such as industry policy changes, client company’s information and information of particular previous business projects etc. Knowledge is interpreted as an individual-owned experience-based expertise in this paper. Knowledge can be accumulated over time and also can be shared with others. Both accumulating and sharing knowledge create value for company.

2.2 Functions and Explanations of Knowledge sharing
Knowledge management was defined as “controlling the process of identifying organizing, storing disseminating, using and maintaining knowledge in order to support strategic goals” (Haney & Driggers, 2010).

It has unique and irreplaceable beneficial functions. Empirical finding strongly suggests that organizational performance would improve if more effort were made to create, provide, share, use and protect knowledge (Earl, 2001). More and more companies attempt to set up knowledge management systems and practices in order to use their knowledge more effectively, and plenty researchers have initiated discussions about the importance of knowledge in one organization (Ipe, 2003). According to Robertson and Hammersley (2000), knowledge management is composed of ‘managing’ employees, paradoxically in a way that distracted consideration apart from control and towards knowledge sharing. Efforts were directed primarily at maintaining a greatly informal, networking environment in which professionals would enjoy working. Hence, this study proposes an advanced knowledge management mechanism that is very much necessary for management consulting company to effectively use their core competitive knowledge asset.

In knowledge management, knowledge sharing is seen as one of the key components (Earl, 2001). Sharing is defined as a voluntary act and distinguished from reporting (Davenport, 1997) Reporting includes exchange of information from certain routines or structured formats whilst sharing implies a conscious act by individuals who participate in knowledge exchange even under circumstance of no compulsion. Practically, lack of knowledge sharing has been proved to become a primary barrier to the effective knowledge management in organizations (Hendriks, 1999).

Knowledge sharing is one type of social interaction among individuals (Bock & Kim, Breaking the myths of rewards: an exploratory study of attitudes about knowledge sharing,
From the economic exchange theory, employees shall act for own benefit. Therefore, knowledge sharing happens where its rewards exceed its cost. This is the theory foundation of establishing incentive systems for effective knowledge management. Based on this theory foundation, plenty of researchers believe in individual’s positive attitude toward knowledge sharing under circumstance of receiving extrinsic benefits for example monetary rewards, promotion, or personal development opportunity. By contrast, social exchange theory advocates intrinsic rewards. The nature of benefit in social exchange theory cannot be bargained or, in other words, do not have a specific price. Social exchange would rather engender individual affection of obligation, gratitude and trust. Based on this theory, friendly and trustworthy relations together with other intrinsic advantages are considered as irreplaceable determinant of knowledge sharing.

Two processes of knowledge sharing were found: “Donating” and “collecting”. Knowledge donating describes communication to others what one’s personal intellectual capital is. Knowledge collecting refers to consulting colleagues in order to get them to share their intellectual capital (Hooff & Ridder, 2004).

Such interactions contribute to both individual’s own benefits and company’s interests. It has been proved that knowledge sharing between individuals could practically contribute to both personal and organizational learning (Nudumolu et. al. 2001). On organizational level, it surely contributes to knowledge acquisition, information distribution, and information interpretation (Huber, 1991). In this study, the study of knowledge sharing involves all such three elements. The autonomous act of sharing knowledge by consultants contributes to knowledge distribution; eliminating communication barrier would benefit to information interpretation; the process of sharing may lead to effective knowledge acquisition by other consultants within the company. Therefore, acts of knowledge sharing will generate positive individual learning, which in turn may consequently results in optimal organizational learning.

Chiu et al. (2006) indicated social capital factors would influence employee’s knowledge sharing, such as social interaction ties, trust, norm of reciprocity, identification, shared vision and shared language. Moreover, Lam (2000) points out that individuals use their knowledge in daily tasks, and unless the organization can facilitate the sharing of such knowledge with others, it is very much likely to lose it when people leave. Weiss (1999) warned that even if when they were still in the organization, without opportunities of sharing
that knowledge, the full extent of such knowledge would not be realized and utilized.

Knowledge flows easily when employees see knowledge as a public good of the entire company. However, even when individuals give the primary priority to the best of the company as well as their community, employees tend to shy away from contributing knowledge for varied reasons (Ardichvili et al. 2003). Particularly, individuals hesitate to contribute as fear of criticism, or of misleading others (cannot ensure that contributed knowledge are significant, or totally accurate, or relevant to a particular discussion). They point out that, to remove the identified barriers, possible solutions include developing various kinds of trust.

A triad of knowledge sharing barriers was introduced and became famous for its comprehensive and well-structured model (Riege, 2005). From individual perspective, knowledge sharing tends to be obstructed by factors like lacking communication skills, less-development social networks, differences in culture background, overemphasis of job statuses, and dissatisfied mutual trust. From organizational perspective, knowledge sharing is often put off by the economic viability, infrastructure and resource shortage, particular accessibility of various meeting spaces, and the physical environment. From technology perspective, knowledge sharing seems to be set back by factors such as unrealistic expectations of IT systems, the unwillingness to adopt applications because of a mismatch with requirements, and practical difficulties in building, integrating and modifying IT systems.

Above all, this paper explores internal knowledge acquisition channels of management consulting company, and whether there is any unique or effective knowledge facilitating system. Previous research has demonstrated that knowledge sharing might be confronted with barriers such as infrastructure and resource shortage, particular social capital factors, and technology obstacles. Hence, this study considers these factors as underlying explanations to an unsatisfied knowledge sharing system.
2.3 Role of Communication

Communication is the major investigated knowledge-sharing channel in this study. It implies transmission over interactive linguistic constitution with manifestation in conversation and text (Cooren et. al. 2011). Conversation could be demonstrated as message or coordinated activity implemented through communication. Message that is represented in form of text and activity can be recorded in text. To professional service firms, data in well-organized form of text about client segmentation and services portfolio would serve as essential competitive advantages. Applying communication technologies and facilitating better communication among employees to allow other project teams to retrieve information and knowledge when needed could enhance these advantages (Sahin, 2011).

Communication relates tightly to knowledge sharing. Hendriks (1999) has reported that knowledge sharing is different from but related to communication. It is also something else than but related to information distribution. As a matter of fact, knowledge cannot be shared as a commodity passed around; it is closely tied to a knowing subject. Basically it is to learn something from someone else. Knowledge sharing presumes a relation between at least two parties, one possesses and the other acquires. As Hendriks introduces, individual should communicate his/her knowledge, consciously and willingly or not, in certain form such as by acts, speech or in verbal notes. Others should be able to perceive his/her utterances of knowledge and produce consciousness of them (by simulating the acts, by listening, by reading the words).

Communication skills appear in numerous professional training courses. Madhavan (2008) once pointed out great significance of professional communication skills. As for him, a major objective of professional communication that people often misunderstand is not to deliver information, yet rather to stimulate the correct action. In recent context of globalization where culture clusters, students get trained in fine communication techniques through hundreds of books, in universities and at schools. A competent consultant should have known the right tone, timbre, timing, and presentation skills for delivering what needs to be said. Dyer and Nobeoka (2002) described functions of organizational communication meeting include information gathering and information sharing with optimal frequency in once per month. Involved agendas could be plans and policies, research activities, training, and know-how/best practice sharing. He also suggested that inter-organizational communication system is one of the key variables which influence designing and creating a high performance knowledge sharing network. Furthermore, communication needs to be
effective. Discussion meeting efficiency significantly relates to the level of how familiar participants are with each other, organizational structure (hierarchy), and information complexity (Seaman & Basili, 1998).

Last but not least, a sharing organizational culture would boost knowledge sharing greatly. Building up a communication climate in organization will strongly contribute to individual commitment towards organizational interest, and eventually bring positive influence on knowledge sharing to the organization (Hooff & Ridder, 2004).

In this paper, communication serves as the major path of knowledge sharing. Management consulting company adopts regular meeting to collect individual thoughts and to share knowledge. Through communication meetings, shared agendas include company plans and industry policies, professional training, knowhow/best practice sharing. I investigate the potential communication barriers which consultants believe there might be, and ask for advises on how to eliminate them.

### 2.4 Role of Performance Measurement

With aims of motivating knowledge sharing behaviors, this study focused on working out an effective stimulation system starting with the current performance measurements in the observed company.

Performance was defined as deploying and managing well the components of business models that orient to timely attainment of targeted goals within certain organizational and situational constraints (Lebas, 1995). The criteria defining performance seems to be diverse: employment creation, customer satisfaction, increasing market share, environmental contribution, new technology as well as innovativeness in procedure and product, satisfied financial return and so on. Performance measurement is the primary factor in quality control theory (Powell, 1995) and is also believed as an inexpensive monitoring system (Abowd, 1990). Linking annual corporate performance with annual cash compensation, companies use indicators include the corporate financial, economic and market performance criteria. The key of an advanced performance-based compensation system lies on its efficacy, effectiveness and design.

Previous to the process of data collection, it is realized that performance measures need top
management support. The performance measurement could be subjective (Folan & Browne, 2005). The measurements are normally chosen from a number of alternatives by top management. Otley (1999) introduced five core issues in performance management control systems: organizational goals, strategies and attainment schemes, target setting, incentive and reward systems and information feedback loops. Management needs to decide what level of performance that organization must achieve when setting organizational goals and relative strategies; what rewards or penalties employees will receive by achieving or failing those performance targets; and also information flows play significant role in enabling the management to learn from feedbacks and create feed-forward loops.

Nowadays, the ways most company use to direct and motivate employee behavior include using performance appraisals that evaluate individual or team performance, tying these appraisals tightly with stimulus compensation systems, using internal promotion approaches that concentrate on employee merit, and other ways of stimulus intended to align the interests of employees with those of shareholders (Huselid, 1995).

This study applies an expected performance-motivation mechanism as a powerful tool to beat down knowledge sharing obstacles. Thus the performance measurement ought to be objective and fair. By investigating consultants’ personal reviews on incentive and reward system, the top management wishes to come up with more effective performance appraisals and eventually contributes to consultants’ knowledge sharing attitude.

2.5 Reward for Knowledge Sharing

When the performance measurement has done, managers would start to consider how to reward the top employees in according to knowledge sharing and to stimulate an expected future sharing growth.

Companies attend to tie compensation programs to strategic targets to ensure that management incentives and corporate objectives are aligned (Ittner et. al. 1997). In context of knowledge sharing, Bartol and Srivastava (2002) examined the role of monetary rewards in encouraging knowledge sharing within organizations. They categorize rewards into monetary incentives such as merit bonuses, and non-monetary awards such as gift certificates, a praise or public recognition. Besides tangible rewards, it can also be intrinsic such as pleasure or satisfaction derived from completing tasks. There are a number of
essential factors of organizational reward systems that are important for motivating employees to perform needed behaviors. Perceived fairness of rewards is one of these important aspects. According to Bartol and Srivastava, *rewards based on team performance are likely to enhance knowledge sharing within teams*, whilst *profit sharing plans* and *gain-sharing plans* will bring a positive impact on knowledge sharing across teams.

Therefore, lack of sufficient extrinsic and intrinsic rewards to compensate employees for their possible cost of knowledge sharing becomes a barrier to sharing knowledge behaviors (Bock et. al. 2005; Riege, 2005). Bock et al. (2005) categorized motivational drivers that have impact on individual’s willingness of knowledge sharing concentrates in: economics, social psychology and sociology. Economic drivers basically rely on extrinsic rewards such as monetary incentives and promotions. Social-psychology drivers refer to anticipated reciprocal relationships and sense of self-worth. Sociological drivers involve factors such as fairness, innovativeness and affiliation.

Similarly, Siege (2005) suggested that a transparent rewards and recognition systems would motivate employees to share more of their knowledge. Incentives are one method of optimizing individual performance. However, normally performance is measured more likely in terms of bringing profit rather than managing knowledge.

Hence, this study proposes implementation of encouraging, stimulating or incentive systems together with a sharing climate would effectively improve motivation of knowledge sharing. Tangible rewards might evaporate quickly, however, an organizational sharing culture would burst the maximum effect of the rewarding system. Knowledge sharing, in this paper, is an action under reconditions of both motivation to share and opportunity to share. Determines of motivations to share could be both internal and external. Reciprocity is believed to be one of the dominant internal factors when consultant thinks before the sharing action in this study. External factors include relationship with sharing recipient and rewards for sharing. A positive sharing climate is applied as determinant of consultants’ knowledge sharing opportunities.
3. Method:

3.1 Choice of method
For the purpose of building up sufficient theoretical support, several different research methods were compared and studied throughout a literature review. My major objective together with my purpose makes this paper into a qualitative research. It appears to be plenty of discussions between advantages and disadvantages of varied approaches of qualitative research. Even though there exist alternatives such as interviews (Cassell & Symon, 2004), observations and group discussions (Hennink et. al. 2011), I eventually choose a highly standardized questionnaire in English, comprising a fixed sequence of predominantly questions including both open-ended and fixed-alternative ones (Schoenberger, 1991) for reasons of low response rate and inescapable language barrier when making interviews in Sweden.

Interpretive analyzing approach (Malterud, 2001) is used in qualitative research and it acknowledges subjectivity. Thus I move back and forth between (a) what are consultants’ perceptions about communication barrier and how specifically people react to it, and between (b) what do consultants perceive to be the influence of performance-based compensation patterns on communication efficiency and discrepancies between preferable stimulates.

Ethical issues have long been a topic during the entire process of qualitative research (Hennink et. al. 2011). Therefore this study affords significant considerations on anonymity, self-determination and confidentiality principles. I protect the identity of research participants at all times; individuals determine whether or not to participant in data collecting as well as the right to reject at any time in order to avoid negative consequences; throughout entire research procedures, all data collected are ensured to be confidential. Additionally, the perspectives of research participants reflect their subjective views (Burnard, 1991), and I also try to bring their subjective influences to research process, especially during data collection and interpretation.
3.2 Research Design

Conducting an effective qualitative research, one needs to learn the methods and internalizing the concepts and assumptions that underlie a qualitative research (Hennink et al. 2011).

MCC is the abbreviation of management consulting company while KIF is knowledge intensive firms. Management consultancy refers to the introducing of independent advice and assistance about management problems. It usually includes recognizing and investigating issues and/or opportunities, giving advice of adequate action and at the same time implement such recommendations (Pouffelt & Payne, 1994).

Researcher gives definition of KIF as: KIFs refer to those firms that provide intangible solutions to customer problems by using mainly the knowledge of their individuals. Typical examples of these companies are law and accounting firms, management, engineering and computer consultancy organizations and research centers (Ditillo, 2004). In another study, Alvesson (2000) defines knowledge-intensive companies as companies where most work is an intellectual nature and where highly educated and well qualified employees from the major part of the work force. Such companies claim to provide qualified services, using the knowledge of the personnel as the primary resource. Sahin (2011) summarizes that knowledge intensive firms are primarily turning out high cost of professional specialization—these professional service firms provide solutions to the particular need of their clients. From their previous work experience and accumulated knowledge, they progressively provide better and more effective solutions. Thus the management within these companies is involved mostly with coordination and competence enhancement of employees rather than management of their tasks.

Starting from definition of communication barrier, specifically when applied to the context of management consulting companies, this paper focuses on the possible impact of a new integrated performance-based compensation system on internal knowledge sharing. The data needed in this paper will be collected from a matching company that offers independent advice and intangible solutions to customers by using employees’ highly professional expertise. It is investigated by examining how would consultants’ inner motivators influences knowledge integration, and in turn compensation systems.

This research adopts an exploratory qualitative case study approach that aimed to study—in broad terms—the management of knowledge exchange during communication in specific
type of Consultant Company. The study focuses on a rage of themes—communication control, knowledge management, performance evaluation, incentive compensation, and motivation.

Firm-level data on *Knowledge sharing Practices* were collected with a questionnaire mailed to the financial consultancy professional in UniTax Xinjiang in the main study.

UniTax Certified Tax Agent Co., Ltd was established in Beijing in 2009. UniTax is a professional tax-related consulting service agency as well as predicting the future tax environment and developing appropriate products. There are 1252 employees, including 430 registered tax agents. I take UniTax Xinjiang, one of ten subsidiaries under the holding company as sample for this study.

There are over ten thousand customers in almost every fields of industry. As its vision of "*Sharing Resources, Sharing Information, Sharing Clients and Sharing Technology*", UniTax commits itself to unified information and technology platform in order to provide professional consulting service. It succeeds in providing the service of larger scale and in wider field to clients, and promoting the rapid development of registered tax agent industry.

Ms. Wang Yun, China Certified Tax Agent, is the board member of UniTax Certified Tax Agent Co., Ltd. and the chairman of UniTax (Xinjiang) Certified Tax Agent Co., Ltd. Ms. Wang has been working in tax consulting industry for 18 years. And she, with rich practical experience, specializes mainly in tax audit and tax expertise. Under her leadership, UniTax (Xinjiang) offers high quality, overall and systematic tax consulting service to thousands of large and medium-size enterprises. She is an accomplished tax consultant and has good reputation and great influence in China certified tax-consulting industry.

### 3.3 Data Collection and Question Design

A questionnaire was designed, adjusted and then sent to a Chinese management consulting company—UniTax (Xinjiang)—in order of acquire quantitative and qualitative data about their business, corporation characteristics, nature of services, and related behavior. The questionnaire explored the consultants’ perceptions of themselves as well as their views on the future knowledge sharing mechanics. Additionally, a short interview was settled when
consultants filling the questionnaires. Besides Ms. Wang Yun, I also talked to Mr. Zhang Yong the department manager of UniTax Xinjiang.

**Questionnaire design in categories:**

<table>
<thead>
<tr>
<th>Category</th>
<th>Question</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Communication barrier</strong></td>
<td>What comes to your mind when you think of barrier in terms of communication?</td>
</tr>
<tr>
<td></td>
<td>What may be solutions that could contribute to improve the barriers you noted above according to your knowledge?</td>
</tr>
<tr>
<td><strong>Communication method</strong></td>
<td>What is/are the most common communicate method you use among consultants?</td>
</tr>
<tr>
<td></td>
<td>What is/are the most common method you use to communicate with your manager?</td>
</tr>
<tr>
<td></td>
<td>What is/are the most common method you use to communicate with your client?</td>
</tr>
<tr>
<td><strong>Communication efficiency</strong></td>
<td>How do you rate your satisfaction to communications among your colleagues from same teams?</td>
</tr>
<tr>
<td></td>
<td>How would you rate your satisfaction to the information/knowledge you get from team members/managers/clients?</td>
</tr>
<tr>
<td></td>
<td>Do you have special controls/rules in your company to guarantee the communication efficiency?</td>
</tr>
<tr>
<td></td>
<td>How do these controls/rules guarantee the communication efficiency?</td>
</tr>
<tr>
<td><strong>Self-awareness and personal belongings</strong></td>
<td>Please rate your level of awareness to your own value?</td>
</tr>
<tr>
<td></td>
<td>Please rate your level of awareness to your strengths?</td>
</tr>
<tr>
<td></td>
<td>How is your belongingness towards your company?</td>
</tr>
<tr>
<td></td>
<td>Was there any conflict between belongingness and identification with the employer and client?</td>
</tr>
<tr>
<td><strong>Motivation</strong></td>
<td>What is/are your biggest inner motivator to this job?</td>
</tr>
<tr>
<td></td>
<td>In what way you will see an improvement in terms of being motivated?</td>
</tr>
<tr>
<td>Performance-based compensation method</td>
<td>Are you using performance-based compensation system?</td>
</tr>
<tr>
<td>--------------------------------------</td>
<td>-----------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td>What kind of performance appraisal method do you adopt?</td>
</tr>
<tr>
<td></td>
<td>What performance-based compensation method do you adopt?</td>
</tr>
<tr>
<td></td>
<td>Do you believe the performance appraisal process is fair as judgments are objective and bias-free?</td>
</tr>
<tr>
<td></td>
<td>Do you believe there is strong mutual trust exists among consultants and management?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Knowledge/ information sharing and exchanging</th>
<th>Would you love to share and exchange knowledge/information with your team members when communicate? For what reason you would do so?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>What kind of knowledge / information you feel proper to share and exchange when communicate with your team members?</td>
</tr>
<tr>
<td></td>
<td>Would you love to share and exchange knowledge/information with your colleagues from different project team? For what reason you would do so?</td>
</tr>
<tr>
<td></td>
<td>What kinds of knowledge/ information you feel proper to share and exchange when communicate with your colleagues from different project team?</td>
</tr>
<tr>
<td></td>
<td>Would you communicate with your manager when you feel less motivated in your job? For what reason you would do so?</td>
</tr>
<tr>
<td></td>
<td>If you get enough motivated by incentives, would you love to share your uniquely held knowledge during communication with your team member?</td>
</tr>
<tr>
<td></td>
<td>If you get enough motivated by incentives, would you love to share your uniquely held knowledge during communication with your colleagues from other project team?</td>
</tr>
<tr>
<td></td>
<td>In what way you would see enough motivation according to last question?</td>
</tr>
</tbody>
</table>

22
4. Empirical study and questionnaire results

4.1 Communication barrier facts in UniTax (Xinjiang)
In this sector, collected data is presented specifically in details. The whole questionnaire is set apart to 6 categories: communication barrier, communication method and feedback, communication efficiency, motivation, performance-based compensation system, and knowledge sharing behavior.

![Communication Barriers](image)

**Figure 1** What are consultants’ perceptions about communication barrier

In UniTax, top 5 communication barriers that consultants could think of include knowledge complexity, information asymmetry, clients’ cooperation, management availability and feedback uncertainty. Knowledge is individual-owned experience-based expertise. Individuals have their own educational backgrounds and training experiences before entering to the company. Consultants find it is difficult to discuss with another one who do not share a very much similar knowledge background when encounter complex knowledge. Information asymmetry is the second biggest obstacle. Considering new regulations coming out continuously, together with detailed client information, UniTax consultants believe that if one does not catch up such vital information sooner, he/she will miss out the whole point during communications. Clients’ cooperation mostly refers to the potential risk of slowly reply when requiring particular information. According to the management availability, consultants expressed a strong wish of easier access to managers when needed in related to communications. Lastly, consultants see great significance of feedback after communication whilst sometime low rate of feedback set back communication unexpectedly.

Consultants have their unique potential solutions to improve barriers mentioned in the chart. According to the questionnaire results, they mentioned solutions as following:
• To break knowledge complexity barrier, effective ways may involve: Improve procedures and processes of communication; Put theory into practice, seek significance of communication; When facing barrier, one should strengthen learning process, try to make knowledge be specific as possible; if failed, turn to competent department.

• To solve information asymmetry barrier, effort could be done as: Build communication mechanics, effective information transferred platform, make corporate information horizontally and vertically transparent; Shared resource and information disclosure.

• To increase clients’ cooperation, potential solutions might be: Actively communicate with clients, diminish the understanding bias and gain their trust; Strengthen security of clients’ information; On the prerequisite of no violation of laws and regulations, all take the client benefit, serve with top professions.

• To effectively improve management availability, more attention could be put in: Everyone’s voice should be listened and concerned.

• To seek a barrier-breaker on feedback uncertainty, effective solutions may include: Actively share communication feedbacks, let others know if there might be a potential problem; Change perspective when seeing problem.

These results have reported to Mrs. Yun Wang. It is confirmed that UniTax management has already noticed about the communication problems before. The open-discussion training session works as their problem-shooting tool. Then UniTax management finds out it effectively creates knowledge sharing opportunity. Thus, it is proved that such communication improvement could contribute in knowledge sharing.

Communication provided a platform for information exchange. Frequent interactions among employees will lead to increased familiarity, which could bring a result of shared understanding and feelings of community, together they could benefit to knowledge sharing (Cabrera & Cabrera, 2005). Participated consultants preferred face-to-face discussion meetings rather than via Internet. In this case social networking is considered more essential than implementing formalized databases. Even though tremendous information is exchanged through high technology facilitates, I cannot ignore normal types of communication, especially the traditional face-to-face interaction by which trusting relationships are quickly established.
4.2 Communication methods adopted in UniTax (Xinjiang)
I also seek clue on communication methods that consultants use at work. It is found that the most common communication method used among consultants is face-to-face talk. When communicate with managers most consultants choose face-to-face talk whilst both phone call and face-to-face talk ranked first when consultants communicate with clients.

<table>
<thead>
<tr>
<th></th>
<th>Routine meeting</th>
<th>Face-to-face talk</th>
<th>By e-mail</th>
<th>By phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consultants-consultants</td>
<td>32.4%</td>
<td>37.9%</td>
<td>18.9%</td>
<td>10.8%</td>
</tr>
<tr>
<td>Consultants-managers</td>
<td>19.4%</td>
<td>47.3%</td>
<td>13.9%</td>
<td>19.4%</td>
</tr>
<tr>
<td>Consultants-clients</td>
<td>10%</td>
<td>37.5%</td>
<td>15%</td>
<td>37.5%</td>
</tr>
</tbody>
</table>

Table 1 Communication method adopted by consultants in various channels

4.3 Communication efficiency’s satisficing in UniTax (Xinjiang)
More specifically, I investigated consultants’ communication between team members as well as colleagues from different projects. Also the accessibility of information retained from team members, managers and clients are rated.

Seven out of twenty participants expressed a totally agree on “normally I have smooth and satisfied communications with my team members” whilst one disagreed, the rest lingered between agree and no opinion.

Only one consultant disagreed to “communication among consultants from different projects has never been a problem in our company”, most of participants rated 4 out of 5 on agreed extent.

The accessibility of information retained is comforting as 80% consultants noted they could always retain the information they need from their team members, managers and clients. However there are still 5% consultants complain sometimes they have difficulty with client information collecting.
According to Ms. Yun Wang, board member and the chairman of UniTax (Xinjiang) Certified Tax Agent Co., Ltd, UniTax has special controls to guarantee their communication efficiency.

- Training session is held every Saturday, during which an open discussion and cross department case study are practiced cross company
- Organize leisure activities regularly for team building
- Entire company participation is always required for all kinds of events to create the feeling of community
- Be ready to start communicate at any time
- Feedback analysis after routine meeting, keep meeting records to ensure knowledge summary and information disclosure
- Make specialist supervise on the regular meeting. Review specialist spotted problems and report to chef review specialist, if failed trouble-shooting, then report to department managers. The problems will be raised in managers meeting, and make sure an explicit final solution.

Perceived supervisory and peer support are linked positively to knowledge sharing behavior through communication (Cabrera et. al. 2006). The support from supervisors and peers communicates are valuable to employees, regular discussion activity influences positively consultants’ attitudes, perceptions and their understanding of the activity and their own value. A more favorable attitude toward knowledge sharing will benefit the consultants’ intention to share knowledge.

4.4 Current and potential Motivators in UniTax (Xinjiang)
In order to explore the present motivation of consultants, I designed two questions to reveal the mysterious veil. The first one is to investigate what motivate consultants the most in their work.
The second one is to see in what way consultants will see improvement in terms of being motivated. Answer shows in following table.

<table>
<thead>
<tr>
<th>Motivation improvement</th>
<th>15%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incentive compensation</td>
<td></td>
</tr>
<tr>
<td>Training</td>
<td></td>
</tr>
<tr>
<td>Positive feedback</td>
<td></td>
</tr>
<tr>
<td>Work flexibility</td>
<td></td>
</tr>
<tr>
<td>Bonus/ wage raise</td>
<td>13.33%</td>
</tr>
<tr>
<td>Tittle or promotion</td>
<td>8.33%</td>
</tr>
<tr>
<td>Additional vacation days</td>
<td>8.33%</td>
</tr>
<tr>
<td>Partnership</td>
<td>3.33%</td>
</tr>
<tr>
<td>Extensive employee involvement</td>
<td>3.33%</td>
</tr>
<tr>
<td>Recreation facility</td>
<td>1.67%</td>
</tr>
<tr>
<td>Guarantee employee’s concerned rights</td>
<td>1.67%</td>
</tr>
</tbody>
</table>

Figure 2 Consultants' biggest inner motivator to current job

Figure 3 Improvement consultants believe of significance being motivated

Job performance, promotability, compensation, career development, and leadership efficacy are observed to be great significance measures. In terms of motivational drivers to knowledge sharing, psychological determinant is one of the most important variables.
encouraging knowledge sharing behaviors (Cabrera et. al. 2006). It is proved by the answers that both extrinsic incentives and intrinsic incentives are likely to have positive relationship with knowledge sharing.

Personality measures are linked to considerable organizational outcomes. Five core personality dimensions are emotional stability, extroversion, openness to experience, agreeableness and conscientiousness. Specific characteristics include stable, controlled, sociable, talkative, artistic sensitivity, cooperative, supportive, reliable, dependable, achievement oriented and organized. Cabrera et al. (2006) found that personalities such as agreeableness, conscientiousness and openness to experience are positively correlated with knowledge sharing.

The questionnaire result shows that UniTax consultants need more motivations on knowledge sharing. Thus more effort has to be made in order to stimulate consultants willingly and consistently share their knowledge with others for the best of the company.

To motivate employee donating ideas and insights to others, it is necessary to take a closer look at another major component of knowledge sharing—pro-social behavior. It seems that higher degrees of perceived rewards and recognition for desirable behavior are linked to improved performance of pro-social organizational behavior. Thus individuals are more likely to engage in knowledge sharing when perceiving intrinsic and extrinsic rewards associated with knowledge sharing.

4.5 Need of Performance-based compensation system
Performance evaluation criterion is the best way to recognize efforts and contributions. Nowadays more and more companies start to introduce knowledge sharing as a criterion of performance evaluation. Formal performance review ensures that individuals are expected to capture knowledge of value, archive and share it (Riege, 2005). Performance appraisal is considered to be an important variable in a knowledge sharing motivation model, together with human-resource management factors such as staffing, job design, compensation systems, managerial styles and training (Gagné, 2009). These factors will effectively influence individual knowledge-sharing attitudes, need satisfaction and sharing norms.
Although knowledge sharing has not been added as an evaluation parameter in performance measurement in UniTax, it is worthy to determine the current performance-based compensation system.

UniTax (Xinjiang) adopts performance-based compensation system, according to Mr. Zhang Yong. The performance appraisal method is a combination of client satisfaction, company’s financial performance, and personal integrated competence. Mr. Zhang Yong believes company financial performance is the primary criteria.

In terms of performance-based compensation method, UniTax chooses annual bonus plan. Fifteen out of twenty interviewed consultants believe the performance appraisal is fair as judgments are objective and bias-free. Furthermore, seven consultants totally agree that strong mutual trust exists among consultants and management.

Knowledge sharing is a social interaction culture, referring exchange of individual knowledge, experiences and skills through the company (Lin, 2007). All interviewed consultants would love to share and exchange knowledge with their team members during communication for reasons showed in chart.

![Knowledge sharing with team members](chart)

**Figure 4 Reasons for why sharing knowledge with team members**

Similarly, every interviewed consultants would also love to share and exchange knowledge with their colleague from different projects during communication. The reasons are slightly different.

Knowledge sharing is a sophisticated behavior that is affected by a bunch of psychological and organizational factors.
Individuals’ positive attitude toward knowledge sharing will contribute to their intentions to share knowledge and eventually to knowledge sharing behaviors (Cabrera & Cabrera, 2005). Other significant determinants of knowledge sharing attitude are: a sharing corporate culture with help of social ties and shared language, trust and collective identification, perceived rewards, self-efficacy, expectations of reciprocity and specific human resource management practices. In order to foster knowledge sharing, human-resource management indicators may lead to great effects. It is divided into seven categories: work design, staffing, training and development, performance appraisal, compensation and rewards, culture and technology. Observed company has cross-functional teams designed, extensive training, average high communication skills, a caring corporate culture, and strong mutual trust. What needs to be improved is to add knowledge contribution as performance appraisal criterion and to provide rewards.

**Figure 5 Reasons for why sharing knowledge with colleagues from other project team**

Possible explanations of reluctant of knowledge sharing tend to involve factors such as lack of time to share and time to realize colleagues in need of particular knowledge; apprehensive consideration of dropped job security caused by sharing; lack of awareness of the following benefit of sharing knowledge with colleagues; poor individual and organizational learning effects due to insufficient communication and tolerance of past mistakes; differences in individual experience levels; poor interpersonal and communication skills; age and gender differences; different education levels; lack of mutual trust; national culture or ethnic background differences and corresponding differences in values, beliefs and languages; unclear organizational knowledge management strategy; lack of management support; lack of a fair rewards and recognition systems that could motivate employees to share knowledge; lack of adequate infrastructure for knowledge sharing activities; restricted communication and knowledge flow; internal competitive labor market for promotion (Riege, 2005).
The knowledge consultants feel proper to share and exchange when communicate with either their team member or other colleagues is various. Specifically, consultants believe it is of great significance to share previous experience and professional knowledge with team member during communication. However, only 11 consultants would share client related information to team member and 15 consultants would share company policies. As to colleagues from other teams, 11 consultants agree to share client related information and 16 consultants agree to share company policies.

For analyzing purpose, I designed two questions to investigate the communication between consultants and managers when they feel less motivated at work. There are 13 consultants choosing to have a talk with their manager and they state their reasons.

![Talk to manager when less motivated](image)

**Figure 6 Reasons for why less-motivated consultants would talk to managers**

Support by manager and peers will bring employees’ positive mood status and this shall result in generating more creative insights and be more productive, as well as the intentions to share (Cabrera & Cabrera, 2005).

A positive relationship was found between social support from managers and colleagues towards personal development and measures of personal development (Cabrera et. al. 2006). Mr. Yong Zhang, manager of observed company UniTax, also suggested that it is worthy to ensure that management is supportive of employee training meetings, because employees’ knowledge sharing behavior is correlated with their perceptions of management support.

When managers designing knowledge sharing rewards they should consider the corporate strategies for knowledge management (Lee & Ahn, 2007). Performance-based reward systems should be designed under consideration of whether to measure the whole team contribution or the individual contribution. Additionally, managers need to carefully balance
the effects of the reward system and other organizational factors such as presence of job
security, trust, care etc.

Last but no least, consultants express strong will on our hypothesis that 16 of them would
love to share their unique held knowledge during communication with both team-members
and colleagues from other project team whilst 3 appear to be not sure of it and 1 reject to. I
thereby investigate the possible stimulation.

![Motivation improvement](image)

**Figure 7 In what way consultants see enough motivation on knowledge sharing**

Individual motivations regarding knowledge sharing appear to involve expectation of
personal benefits (Chiu et. al. 2006). On organizational level, the motivational drivers
concentrate on well-designed reward system and a positive sharing climate in terms of
reputation and enjoy helping.

A sharing corporate culture requires fairness, innovativeness and affiliation. Fairness is
rather important to lead employees going beyond the responsibility of sharing their
knowledge and become more common knowledgeable in their daily work. Innovativeness
can be reflected in rewarding creativity and change, emphasizing organizational learning and
open information flow. Affiliation demonstrates a sense of bonding relationships among
employees. Caring behaviors and good interpersonal social skills are encouraged in order to
build a harmony organizational social network. Hence a close interpersonal distance would
benefit the organizational sharing climate consequently.

Rewards have moderate direct effect on knowledge sharing. Participants weigh more
importance on technique support, sharing corporate culture and adding knowledge sharing
as a new performance measure variable in relative compensation system.
Modern technology is required to provide an integrated IT system as a sharing platform that is accessible to all consultants in need of knowledge. Technology is one of the most important factors of knowledge sharing. Potential knowledge-sharing barriers tend to involve factors such as: lack of integrated IT systems or poor maintenance of them; poor technical support; mismatch between individuals’ need requirements and IT systems and processes; lack of training on applying new IT systems (Riege, 2005).

5. Analysis

5.1 Communication barriers to Knowledge Sharing

It should be of little surprise then that managers and consultants see the key problems that confront management as being born of barrier and exacerbated by problems of communication (Burgundy, 1995). As Burgundy discovered, problems that caused by uncertainties can be solved by gathering and sharing information. In this research, communication is used as the tool of gather and share information to break down the uncertainties.

According to my acknowledgement, communication barrier mainly exists among three groups: between consultants and managers; between consultants and clients; and among consultants. In the analysis of communication efficiency, I investigate all three categories, for the rest sections I primarily study the one among consultants.

From the answers I seek to explanation to communication barrier, and it might include aspects of knowledge share (within/among teams), team support (within teams), client cooperation, and feedback (from manager/group members) (Haney & Driggers, 2010).

Consultants as well as management communicate continually with the whole of the company in the case of present projects and potential new ones. In UniTax, project updates and new policies are openly discussed on a weekly basis. Hence, everyone within the company is kept well acquainted of developments and communication can be characterized both effective and smooth.
5.2 Sharing Knowledge by Communication

Through communication, individuals exchange their tacit and explicit knowledge and create new knowledge together. This is a typical process of how knowledge gets shared in management consulting company. However, each involving element in this process has its own particular influence on the efficiency of knowledge sharing.

The most common ways of communication that consultant at UniTax use are by face-to-face talks, routine meetings, by e-mail and by phone. Concerning of communication barrier, major problems that pointed out by consultant are knowledge complexity, and information asymmetry. In order to eliminate the uncertainties, I seek for possible solutions.

Together with interviewees’ opinions, effective methods of avoiding communication uncertainties include: to improve procedures and processes of communication, to collect individual comments at entire company level, to build up one’s learning process especially for the complex knowledge, to make knowledge be specific as possible, to actively communicate with clients and diminish understanding bias, to establish communication mechanics and information transferred platform, to strengthen security of client data, to ensure shared resource and information disclosure etc.

Importantly, management members in UniTax used to be active consultant as well, thus they put themselves right in between consultants as ordinary colleagues instead of top-level leaders. As a result, a flat corporate hierarchy could be seen in UniTax and it contributes to group cohesiveness the to a great extent.

In UniTax, up to 95% interviewed consultants believe they have smooth and satisfied communication both with team members and among colleagues from other project teams. Thanks to the updated communication control system UniTax adopted, the accessibilities of information acquired from team members, managers and clients are quite impressively high. Only 5% interviewees complain about occasional trouble of collecting client information.

An interesting finding is that the way consultants communicate with each other may encourage them to donate knowledge, both from individual and team perspective. UniTax’s knowledge management technique put great attention on compulsory weekly training meeting. Employees show a high level of willingness to communicate through which individual knowledge gets shared. Meanwhile, team attributes, for example team openness, team agreeableness and team conscientiousness, have vital effects on team effectiveness.
5.3 To Be Effective

By designing questions about communication efficiency, I seek to examine the relationship between performance measurements and the relative incentives with the communication efficiency of knowledge transfer.

What can contribute to the communication efficiency? In this research, instrumental and performance-related motives—the bonus/wage raise, promotion, or visible result is targeted. Or to have the fusion of a sense of self (identity), the struggle to maintain and improve skills, the prospect of realizing objectives and get (instrumental) rewards (wage increases, rapid promotion), and the desire to comply with and live up to a specific normative order (being a blend of instrumental and value-oriented elements). (Kärreman & Alvesson, 2007)

Argyris (1991) believes that employees must combine the mastery of certain highly specialized techniques with the ability to work effectively in teams, form productive relationships with clients and customers, and critically practices. Also consultants are expected to work cooperated and be willing as well as able to share their expertise with others during project team working. Consequently it leads to a result of creating new knowledge or application of current knowledge in new approaches. UniTax is an exact perfect sample at this point. The special control in UniTax for guarantee the communication efficiency is highly effective and practical. Firstly they set up a training session on a firm base that takes place every Saturday. Initiate discussions among departments on different problems and report to management afterwards. The feedback analysis of meeting records successfully ensures knowledge summary and information disclosure. Secondly, there are entertaining (sometimes outdoor) activities organized regularly and making sure entire company participation. Since under atmosphere of being ready to start communicate at any time, acknowledge of project team members would primarily boost a closer personnel network. Lastly, a specialist often supervises the routine meetings. Review specialist spotted problems and make reports. The unsolved problems will be raised again in management meeting, consequently come up with an explicit final solution.
5.4 Knowledge sharing behavior’s Motivations

For the purpose of exploring knowledge sharing stimulator, I firstly ask for the biggest personal motivation to consultants’ current job. Other than satisfied payment, many pursue self-achievement at this point. The rest motivators include feelings of belongingness to a community, be proud of the company and what it stands for, social cohesion among the people in it and personal development opportunity.

My underlying proposition is that impediments to knowledge sharing exist but could be reduced by a particular mechanism like a combination of stimulators.

Ipe (2003) categorized factors that influence knowledge sharing into four groups: nature of knowledge, motivation to share, opportunities to share, and culture of the work environment. He believes these four factors work interconnected. In his model, the first three factors are embedded within the culture of work environment context. The model indicates that culture has a crucial influence on the other three factors in that the organization’s culture dictates to a relatively large extent how knowledge is valued, what types of rewards it encourages in regard to knowledge sharing, and the opportunities that employees have to share knowledge. The model look like:

Figure 8 Ipe's model of Knowledge Sharing Influence Factors

According to Ipe (2003) identifies factors in this model exert different amount of influence on knowledge sharing in different organizational settings. The significance of these factors is affected by organization’s business objective, its organizational structure, policies, reward systems and specific culture. Knowledge sharing will not be precluded when one or more of such factors absent. This model proposes that these factors are forcefully interrelated with each other and together they result in an ideal environment for knowledge sharing between
employees within organizations.

Examples of firm efforts to direct and motivate employee behavior include the use of performance appraisals that assess individual or work group performance, linking these appraisals tightly with incentive compensation systems, the use of internal promotion systems that focus on employee merit, and other forms of incentives intended to align the interests of employees with those of shareholders (Huselid, 1995).

It shows the same as my results at UniTax. Consultants believe at a definite knowledge-sharing-motivation improvement when there is a knowledge sharing corporate culture, a Knowledge-Pool alike system applied, “vital information source” added in performance appraisal, and actual rewards from compensation system. These factors like small screws or trigger gears on the machine called Knowledge Sharing Starter.

![Figure 10 Knowledge Sharing Improvement Factors at UniTax](image)

Employee knowledge sharing intention could be motivate by both extrinsic and intrinsic motivators (Lin, 2007; Ipe, 2003). The result from UniTax shows the same conclusion—an ideal combination of both internal factors and external factors effectively contributes to consultants’ motivation to willingly share their unique knowledge. Extrinsic motivation to share knowledge is a decision made basically depended on individual perceptions of the value associated with knowledge sharing. The employee engagement in knowledge sharing is based on a cost-benefit analysis, to compare the benefits expected from a sharing behavior with the costs (effort) involved in it. Considering a socio-economic outcome, if the perceived benefits equal or exceed the costs then the behavior will continue, otherwise it...
will stop. In knowledge sharing content, the costs are defined by effort-input factors such as time consuming, mental effort whilst the benefits are defined by reward-output factors such as incentives or setting obligations for employees to reciprocate. Intrinsic motivation is likely to be engaged in knowledge sharing activity for one's own sake, out of interest, or for the joyfulness and satisfaction derived from the activity.

Bock et al. (2005) also proposed that anticipated extrinsic and intrinsic rewards have positive effect on employee’s attitude toward knowledge sharing. And the more favorable the attitude toward knowledge sharing is, the stronger the intention to share knowledge would be. Other motivational drivers include the sense of self-worth through knowledge sharing behavior, the subjective norm to share knowledge, the extent to which organizational climate characterized by fairness, innovativeness and affiliation. Employees with high sense of self-worth through knowledge sharing are able to be aware of others’ expectations regarding knowledge sharing and hereby complying with those expectations. Normative variables are always correlated with attitudinal variables. Through psychological pathways and social influence processes, subjective norms could have significant influence on attitudes. When individuals get motivated to conform to group norms, their attitudes will become group-determined. Thus it is reasonable that a greater subjective norm to share knowledge will result in a more favorable attitude toward knowledge sharing. In UniTax, primary improvement of present motivators is expected to be among training, positive feedback, bonus/wage raise. Some also wish to see further enrichment among promotion, additional vacations, partnership, and extensive employee involvement and recreation facility.

### 5.5 Contribution of a Reward system

Sometimes sharing individual’s knowledge can be giving away power and influence. Therefore, it is not surprising that one of the vital challenges in knowledge management is to ensure that the company’s incentives reward sharing rather than hoarding.

Consultants are likely to be influenced in their behavior by reward structure of the firm. Robertson and Hammersley (2000) found that incentives and appraisal programs used to be a remarkable predictor of knowledge sharing across projects in a survey of more than 600 companies in the UK. It is introduced in their study that consultant performance is appraised on their contribution to and exploitation of the knowledge asset of the company. Take the
global consultancy Bain & Co. as an example, which rewards employees for sharing knowledge. Bain & Co evaluates consultants’ performance on how much direct help they have given colleagues and within this category the degree of dialogue a partner has had with others. Evaluation of this dimension contributes mostly to a consultant’s annual bonus. With no doubt it highlights a growing discernment placed by companies within management consulting sectors on the necessity to present particular policies that will encourage consultants to share their knowledge.

It is not surprising to see consultants’ knowledge sharing behavior is positively related to organization’s relative rewards and negatively related to particular penalties. Gupta and Govindarajan (2000) supported that the positive relationship between knowledge sharing and incentives. Their study shows that remarkable changes need to be made in the incentive system to encourage employees to willingly share their knowledge. Specifically, some claimed that rewards and incentives are likely to be indispensable to knowledge sharing (Gupta & Govindarajan, 2000), whilst others argued that material rewards alone are not sufficient to motive knowledge-sharing acts among employees. In this study, consultants give examples as partnership and honorable titles.

In the case of interactions within or across project teams, rewards based on performance are proved to be effective in bringing a sense of cooperation, ownership and commitment among individuals (Bartol & Srivastava, 2002). They proposed that performance-based rewards and organizational wide monetary incentives would be specifically instrumental in boosting knowledge sharing both within and across teams.

Another successful examples include the Ernst & Yong’s Business Knowledge Center that collects, stores and synthesizes knowledge generated both internally and externally; the Andersen Consulting Company’s knowledge management system knowledge Xchange that contains major business processes and best practice, discussion databases and core methodologies.

I believe it is performance-based incentive system that links the potential motivators with knowledge sharing behaviors. UniTax Xinjiang has been applying a performance-based compensation system since long time ago, introduced by Mr. Yong Zhang.

Other than UniTax, plenty of large international firms and organizations use similar functioned incentives to enhance their knowledge sharing.
Most companies use short-term or annual bonus plan in their executive compensation programs (Ittner et. al. 1997). Kärreman and Alvesson (2007) noted instrumental and performance-related motives such as bonus or wage increase, promotion, or visible result is targeted. Or to have the fusion of self identity, the effort to maintain and enhance skills, the prospect of realizing objectives and get rewards and the desire to comply with and live up to a specific normative order. KPMG rewards consultants on the basis of personal performance and one of the evaluation criteria is “willing and consistently share uniquely held knowledge and insights” (Dunford, 2000). A large amount of management consulting companies are owned exclusively by professional manager within the firm without having shareholders from outside. In order to keep these highly skilled professionals from whom the primary source of value is created, management-consulting companies give them partnership and provide non-financial stimulus like prestige and collegiality (Sahin, 2011).

5.6 A Goal of Fair Reward

The performance appraisal standards are a combination of client satisfaction, company’s financial performance, and personal integrated competence. The company financial performance is the most essential index. In terms of performance-based compensation method, UniTax uses annual bonus plan. Historical research finding (Ittner et. al. 1997) shows that companies pursuing an innovational prospector strategy tend to place greater weight on non-financial metrics in their annual bonus plan. Also companies following a quality-oriented strategy place relatively larger weight on non-financial performance.

By seeking participants’ perceptions of performance appraisal procedural and distributive fairness of rewards, this study also wish to propose the level of trust in a management consulting company will affect consultants’ behavior of knowledge sharing in social interactions. Ensuring fair outcomes to employees is a significant approach of establishing trust. It is proved from a previous study that employees intend to avoid helping behaviors when employer provides deficient outcomes (Bartol & Srivastava, 2002).

Commonly, at a high level of loyalty, individuals give priority to the needs of the company and prepared to act for the good of the company (Alvesson, 2000). In UniTax Xinjiang, all interviewed consultants are willing to share knowledge both with project teams members and consultants from other project teams. Their reasons to this behavior range over
assuming others would share their knowledge as well, doing everything for the good of the company, having an advanced management system to deploy knowledge, and also enhancing one’s work performance.

5.7 What people actually share through communication

Knowledge types that UniTax consultants feel proper to share and exchange during communication are various. Particularly, previous experience and professional knowledge are thought to be of primary essence. A number of people would keep client data apart from shared information when communicate with other consultants.

By reason of the commercial sensitivity of information, access may be restricted to consultants, as they are viewed as less likely than staff at lower levels in the firm to “defect” to a competitor firm (Morris & Empson, 1998). Additionally, professionals may be reluctant to share their knowledge with their colleagues at the mean time also competitors for promotion in the company. Secondly, there is always a market for knowledge in management consulting companies; therefore with no surprise some underlying “knowledge-sellers” believe that hoarding their knowledge would benefit more than sharing it.

5.8 What else leads to share

Previous investigation demonstrates a positive relationship between organizational communication style and knowledge sharing attitude (Vries et. al. 2006). It got proved again in my results. What is more, job satisfaction and performance measurement are of same importance to knowledge sharing in UniTax.

In this study, if get enough motived by certain stimulators, consultants at UniTax express strong wills on knowledge sharing that a majority (up to 80%) would love to share uniquely held knowledge during communication with colleagues whilst only 5% reject to.

Typical ways of reassuring instrumental loyalty are legal contracts and money, as well as other incentives, says Alvesson (2000). Such kind of loyalty may be seen as an approach of diminishing barrier according to the issue of company reputation. By saying other incentives, it could be clear career structures, containing pay rises, promotion and perhaps partnership.
How individual perceive current job and the level of job satisfaction seem to be positively related to one’s willingness and eagerness to share knowledge (Vries et. al. 2006). UniTax adopts a traditional performance appraisal method and 75% consultants believe the evaluation result is fair and bias-free. Argyris (1991) said that some employees believe performance-evaluation process could be unfair as judgments were subjective and biased and the criteria remain unclear. Others may suspect that it was economic causes the dismissals and the performance-evaluation routine was just a fig leaf to hide the fact that the company was in trouble.

By contrast, the knowledge transferability sometimes restricts knowledge sharing processes. Transferring knowledge from individuals to others in a company can enable employees to exploit lessons which have been learned from previous task by exchanging information, solve specialized problems more effectively by comparing experiences and telling stories, benefit from colleagues’ best practices, and pilot new notions and develop creative solutions through brainstorming (Haas & Hansen, 2005). Yet the procurement of knowledge from electronic document systems (Sahin, 2011) or from colleagues is often encountered with obstacles.

5.9 Building a Sharing culture

Showing from the findings, building up a knowledge sharing corporate culture and applying a knowledge-pool-alike system will greatly alter the status of UniTax’s knowledge sharing environment. Similarly, applying vital information source as criteria in performance appraisal and designing a more advanced compensation system could also boost the development of knowledge sharing circumstance in UniTax, according to the survey result.

Earl (2001) suggests that one critical success factor of knowledge management is a culture of mutual support and knowledge sharing. All participants of the questionnaire agreed that building up a Knowledge-sharing corporate culture within the company is also critical to effective knowledge sharing. Participants claim that they would definitely share their knowledge voluntarily under assumption of others would share theirs as well. In other words, it represents a need for establishing a corporate culture that encourages knowledge sharing. A corporate culture may contribute to shape the perception and acts of its employees by setting the context for social interaction within the corporation. This social interaction includes three dimensions—vertical interaction (between employees and senior
managements), horizontal interactions (among employees), and special behavior that facilitate knowledge sharing (De Long & Fahey, 2000).

Opportunity to share knowledge is also one of the important factors affecting knowledge sharing within organizations as well (Ipe, 2003). In this study, UniTax’s regular discussion session represents precise perception of creating opportunity for knowledge sharing through communications. At the same time, it plays an important role of barrier-breaker alternative for our study. The questionnaire’s results indicate that positive influences can be seen when all the favorable factors being considered.

6. Conclusion and summary of findings

6.1 Chinese Consultancy UniTax Xinjiang

We have seen that one of management consultants’ professional functions is to cut down barrier. In this study, barrier in knowledge sharing through communication is investigated by a case study of a Chinese management consulting company—UniTax Xinjiang.

UniTax’s flat company hierarchy has particular meanings in this study. First of all, consultants are recruited on the basis of their distinctive backgrounds and field of expertise. They are not trained in a standardized body of knowledge. This will definitely enrich the company’s knowledge asset and thereby bringing knowledge management more necessity. Secondly, within a loose structured context, management has to think about how to sustain the sight of company’s ‘efficiency’ in self-disciplined project team working. Pursuing this purpose, management greatly encourages an open exchange of information and knowledge. Thirdly, a flat and open company structure would facilitate knowledge flows, processes and resources that provide optimal learning culture, smooth communication of company objectives and strategy connecting knowledge sharing activities and benefits.

UniTax’s success in tax stems from recruiting people who are good at combine the specialist specialized tax knowledge with interpersonal skills. Individuals should be comfortable working with people from different backgrounds. Like Madhavan (2008) noted, management consulting provides a great platform to work in diversely skilled experts in project teams. These project teams’ performance is one of the key factors influencing the success of management consulting projects (Jang & Lee, 1998). Likewise, success criteria in
management consulting companies are categorized into human resources, competitiveness, customer relations, processes and methods (Gozlu & Coskun, 2006).

6.2 Knowledge sharing in MCC
Knowledge sharing in this study context has certain scales. From individual’s contributing perspective, it involves factors as: when one consultant leaned something new, it is likely to be colleagues from same/another team can learn it as well; consultant share his/her information with colleagues from same/another team; consultant share his/her skills with colleagues from same/another team. By contrast, from receiving perspective, colleagues within/outside their team tell what they know when being asked about it; colleagues within/outside their team tell what their skills are when being asked about it.

To knowledge workers, professional knowledge is the core resource, and it is both the input and output in their production processes. The production processes of these services are based on manipulation and application of this knowledge to provide effective solutions to specific problems (Nachum, 1999). He introduces concepts of input and output as productivity of professional services. He points out the output of professional service firms is used as intermediate input in production processes of their client companies or organizations. Knowledge stock is one of the essential inputs of producer recording to Nachum and output includes proposing solutions to problems, involvement in the implementation of solution, the impact of the professional work on the economic situation of their clients. Additionally, the value added of the work lies in the results of their work, for example the financial improvement of the client.

6.3 Summary of sharing motives
Employee’s underlying willingness and capacity to share their professional knowledge with others are considered to be significant in an innovative environment characterized by interdisciplinary teamwork.

UniTax did an excellent job in building up a sharing culture environment that serves as the glue of knowledge sharing model. Other management consulting companies can draw inspirations from UniTax’s advantages in sharing culture establishment.

I have suggested that motivating stimulators will affect consultants’ behavior in terms of
knowledge sharing during communications. Such pieces of knowledge include experiences acquired in previous tasks carried out in client companies and theories from codified documents.

Historical and international research complements our argument. Burgundy (1995) introduced a representative step that allow managers to successfully deal with barrier in management: first of all is to ensure top management support, then identify problems, next communicate the need for change and establish task force to make change, and monitor progress, lastly take remedial action. This step is no different with the UniTax’s communication barrier diminishing method.

Goffee and Jones (2007) said that if a company can capture the knowledge embedded in experts’ minds and networks, all it need is a better knowledge management system. Morris and Empson (1998) explored a highly developed management systems that enable employee to deploy their techniques and professional knowledge most efficiently.

Robertson and Hammersley (2000) define similar influence of the reward system on knowledge sharing. The nature of the performance management system stimulates knowledge sharing and was fundamental to knowledge management within the company. As a matter of fact, it is in consultants’ interests to communicate their knowledge base and feasible contribution to projects as much as possible. For the purpose of being included in projects and secure project revenue that eventually served as a crucial determinant for performance enhancement.

6.4 Contribution and further studies
Overall, this study contributes to the literature in several ways. First, it provides new perceptions concerning the knowledge sharing through communications in management consulting companies. Secondly by exploring some correlation issues associated with the nature of communication barrier, it contributes to a re-interpretation of the incomplete and vague findings reported in the previous literature on knowledge sharing in management consulting sector. Thirdly it brings complementary explanation to the existing knowledge sharing model specifically in regard of management consulting company. Finally, by analyzing the relationship between performance-based compensation systems and knowledge sharing willingness, it suggests a mechanism containing several
possible rewarding stimulators that could be applied to other underlying management consulting companies.

Although the empirical findings in this study have been based on an analysis of limited amount of samples collected from one management consulting company and cannot meet a statistically satisfied demand, they strongly suggest that rewarding incentives of performance management drive consultants’ knowledge sharing behavior. Certainly, more fine-grained study into a broader framework of knowledge sharing process is necessary in order to comprehend of the application of this mechanism more widely and deeply. Moreover, the impacts of this mechanism on the knowledge management within management consulting company are still to be detected. Future research on how does rewarding incentives affect the identification of knowledge sharing problems and the performance appraisal of individuals promises another step in seizing the knowledge management beyond the rival mechanism discussed here. The usage of information technology and database establishment should draw equally attention of future studies. To us, the intermediate mechanism of knowledge sharing stimulation represents a promising concept not only in knowledge management but also in other general types of corporate management.

Finally, our conceptualization of communication and knowledge sharing is somewhat closely related to certain cultural dimensions, therefore to conduct similar studies would be very interesting to analyze the influence of different cultures on both communication and knowledge sharing content.
7. Bibliography


