

THE ROLE OF FAULTLINES AND INCENTIVES IN KNOWLEDGE SHARING BEHAVIOR

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Abstract

In the era of globalization and rapid advancements in information technology, knowledge sharing has become a key factor in enhancing innovation and organizational competitiveness. However, the phenomenon of faultlines within groups can hinder the knowledge-sharing process by creating fragmentation and distrust among members. This study aims to explore the roles of faultlines and incentives in influencing knowledge-sharing behavior, as well as how these two factors interact with each other. The method used is a literature review, which collects and analyzes relevant literature to understand this dynamic. The findings indicate that faultlines can reduce collaboration and knowledge sharing, while appropriate incentives can enhance individuals' motivation to share, even in the presence of faultlines. These findings emphasize the importance of managing faultlines and implementing effective incentives to create a better knowledge-sharing culture within organizations. This research is expected to provide practical insights for managers in designing strategies that support collaboration and innovation in the workplace.

Keywords: Faultline, Incentives, Knowledge sharing, Collaboration, Innovation.

INTRODUCTION

In the context of globalization and rapid advancement of information technology, knowledge-sharing activities have become a crucial element in driving innovation and strengthening organizational competitiveness. The knowledge possessed by individuals not only functions as a personal asset but also serves as a shared resource that contributes to enhancing innovation, efficiency, and the organization's competitive advantage (Rachman et al., 2024). Although the urgency of knowledge sharing has been widely recognized, its implementation still faces various obstacles. One factor that can influence this behavior is the presence of *faultlines* within groups, which can lead to fragmentation and reduce collaboration among team members.

One factor that can influence knowledge-sharing behavior is group structure within organizations, which is often shaped by a phenomenon known as *faultline*. Faultline refers to divisions within a group that may emerge based on demographic characteristics, values, or differing expertise among group members (García-Meca & Santana-Martín, 2023). According to Tabatabaian et al. (2021), a faultline is a dividing line formed within a group based on differences in demographics, values, or beliefs. These faultlines can form when group members have diverse backgrounds, such as differences in age, gender, education, or work experience (Mariana et al., 2018). When faultlines form, they can result in communication and collaboration fragmentation, which in turn hinders the knowledge-sharing process (Li et al., 2025). This fragmentation often leads to the formation of more homogeneous subgroups, where members feel more comfortable interacting and sharing information within their own group, but are reluctant to communicate with members of other subgroups. Research by Peñarroja et al. (2024) indicates that faultlines can influence group dynamics, reduce trust among members, and create barriers to information sharing. When trust

among group members decreases, individuals tend to be more cautious in sharing knowledge, as they may feel that the information they provide will not be appreciated or might even be misused (Pati, 2022).

Moreover, faultlines can create the perception that members of other subgroups have different goals or values, which may exacerbate tension and conflict within the group. This not only hinders knowledge sharing but may also reduce employees' motivation to collaborate in projects that require synergy across various areas of expertise. Therefore, understanding and managing faultlines in groups becomes crucial for organizations aiming to foster an effective knowledge-sharing culture. By identifying and addressing faultlines, organizations can create a more inclusive and collaborative environment where all members feel valued and motivated to share their knowledge for the greater good.

Faultlines can lead to conflict, distrust, and reduced interaction among group members (Anggraeni et al., 2025). This potentially hinders the knowledge-sharing process, as individuals tend to prefer sharing information with those who are similar to themselves rather than with those who are different. Therefore, understanding how faultlines affect knowledge-sharing behavior is vital in creating a collaborative and innovative work environment.

In addition, incentives play an important role in encouraging individuals to share knowledge. Incentives may come in the form of rewards, recognition, or even financial compensation given to individuals who actively engage in knowledge sharing (Sholeh, 2023). With appropriate incentives, individuals will be more motivated to contribute to the knowledge-sharing process, even in the presence of faultlines within the group (Prasentianto et al., 2024). Therefore, this study aims to explore the roles of faultlines and incentives in influencing knowledge-sharing behavior, as well as how these two factors interact to foster a better sharing culture within organizations.

Although many studies have discussed knowledge sharing, faultlines, and incentives, there is still room to deepen the understanding of how these three elements interact. First, most existing research tends to focus on only one aspect—either faultlines or incentives—without considering how the two factors interact in the context of knowledge sharing. This creates the need for more comprehensive research that can integrate both elements and explore their simultaneous impact on knowledge-sharing behavior. Second, many studies have been conducted in specific organizational settings or cultural contexts, making their findings potentially not generalizable to broader contexts. Research like this is essential across various types of organizations and cultural backgrounds to understand how faultlines and incentives function in diverse situations. Thus, the findings from this study can offer more universal and applicable insights for different types of organizations. Third, although some research indicates that faultlines can hinder knowledge sharing, few have discussed concrete strategies that managers can apply to overcome this issue. This study aims to offer practical recommendations that organizational leaders can implement to create more inclusive and collaborative environments.

The urgency of this study is also driven by the need for organizations to adapt to rapid changes in the business environment. In increasingly complex and diverse contexts, organizations must be able to leverage collective knowledge to remain competitive. By understanding how faultlines and incentives interact in influencing knowledge-sharing behavior, organizations can design more effective strategies to promote collaboration and innovation. Moreover, amidst challenges faced by many organizations—such as rising uncertainty and rapid change—it is crucial for them to cultivate a strong knowledge-sharing culture. This research is expected to make a significant contribution in helping organizations address those challenges and provide guidance for leaders in creating work environments that support collaboration and knowledge sharing.

Based on the above explanation, this article aims to conduct a literature review on the role of faultlines and incentives in knowledge-sharing behavior. By analyzing existing literature, this paper seeks to provide deeper insight into the factors influencing employee motivation in knowledge sharing and practical implications for managers and organizational leaders in designing effective strategies to enhance workplace collaboration and innovation.

LITERATURE REVIEW

Faultline

A *faultline* is a phenomenon that occurs when there are divisions within a group based on differing demographic characteristics, values, or areas of expertise among group members (Adi & Nahartyo, 2025). Faultlines may arise when group members come from diverse backgrounds, such as differences in age, gender, education, or work experience (Valls et al., 2021). Research shows that the formation of faultlines can lead to fragmentation in communication and collaboration, which in turn can hinder the knowledge-sharing process (Xi & Qu, 2025). When faultlines form, group members tend to feel more comfortable interacting within their own subgroups, thereby reducing interactions with members of other subgroups. This can result in decreased trust among members, potentially hindering knowledge sharing.

Sharing Knowledge

Knowledge sharing is a process by which individuals or groups exchange information, experiences, and expertise to improve collective understanding and performance (Ismanto et al., 2024). The knowledge shared can be explicit knowledge, which is easy to articulate and document, and tacit knowledge, which is more difficult to express and is often acquired through experience (Lestyowati, 2024). Knowledge sharing is considered one of the main keys to improving organizational innovation and competitiveness, as it allows organizations to leverage the collective knowledge held by their members (Rodin & Amrullah, 2023).

Incentive

Incentives are an important factor that can encourage individuals to share knowledge. Incentives can be in the form of awards, recognition, or financial rewards given to individuals who are active in sharing knowledge (Maylinda et al., nd). Research (Tjahjono, 2024) shows that appropriate incentives can increase individual motivation to contribute to the knowledge sharing process, despite possible faultlines within the group. With incentives, individuals feel valued for their contributions, which can create a more supportive environment for knowledge sharing.

The Relationship Between Faultlines, Incentives, and Knowledge Sharing

There is a complex relationship between faultlines, incentives, and knowledge sharing behavior. On the one hand, faultlines can hinder knowledge sharing by creating distrust and fragmentation within the group. On the other hand, incentives can serve as a tool to overcome the negative impacts of faultlines by encouraging individuals to continue sharing knowledge despite differences between them. Existing research shows that organizations that are able to manage faultlines and provide the right incentives can create a more effective knowledge sharing culture (Munir, 2023).

RESEARCH METHODS

The method used in this study is a literature review. This method was chosen because it allows researchers to collect, analyze, and synthesize relevant information from various existing literature sources in order to understand the complex phenomena related to the role of faultlines and incentives in knowledge-sharing behavior. The first step in the literature review process is to determine the research topic and formulate a clear research question, with a primary focus on how faultlines and incentives influence knowledge-sharing behavior in organizations. Once the research question is established, the next step is to collect relevant literature sources, including academic

journal articles, books, research reports, and dissertations. The search is conducted through academic databases such as Google Scholar, JSTOR, Scopus, and ProQuest using relevant keywords. After gathering various sources, the researchers conduct selection and evaluation of the relevance and quality of these sources based on criteria such as relevance to the research topic, author credibility, publication year, and the methodology used.

Once relevant sources are selected, the researchers analyze and synthesize the obtained information by identifying main themes emerging from the literature, categorizing information based on relevant groupings, and noting important findings as well as existing gaps in the literature. The results of this analysis are then compiled into a structured literature review, covering summaries of the main findings, discussion of the relationship between faultlines, incentives, and knowledge sharing, and identification of research gaps in the current literature.

RESULTS AND DISCUSSION

Analysis of 24 articles explaining about Faultline and Insentid in behavior share knowledge in the scope performance organization shown in the following table:

Title	Author Name, Year	Types of research	Research Findings
The effect of faultlines and incentive schemes on knowledge-sharing behavior	Adi, MPH, & Nahartyo, E. (2025)	Experiment	Faultline affects behavior knowledge sharing; incentives can strengthen or weaken effect fault line depends on the context.
Communication Corporate: The Art and Strategy of Building a Corporate Image	Anggraeni , D. et al. (2025)	Books / Reviews Conceptual	Explain importance communication corporate in to form image positive company through structured strategy.
Board gender diversity and performance in family firms: exploring the faultline of family ties	García-Meca, E., & Santana-Martín, D.J. (2023)	Quantitative – Empirical Study	Gender diversity in family firm boards has different effects depending on family tie strength; family faultlines influence performance.
Management Diversity Human Resources in Organization	Ilmi, FA et al. (2024)	Qualitative / Descriptive	Management HR diversity is important to create an inclusive and enhancing work environment performance organization.
KNOWLEDGE SHARING CULTURE ON PERFORMANCE...	Ismanto , N. et al. (2024)	Quantitative – SEM	Culture influential knowledge sharing positive to performance through mediation involvement employee.

Importance Management Human Resources (HRM) ...	Lestari, RP et al. (2025)	Conceptual Study	HR plays a role important in increase efficiency and effectiveness organization.
Build Knowledge Sharing Culture ...	Lestyowati , J. (2024)	Descriptive Study	Knowledge sharing culture supports creation organization adaptive and innovative learners.
Striving for superiority: A status perspective...	Li, K. et al. (2025)	Quantitative – Empirical	TMT demographic faultline increases trend taking risk Because internal status dynamics
Modeling entrepreneurial team faultlines ...	Ma, H. et al. (2022)	Conceptual & Empirical Models	Collectivism reduce effect negative fault lines to stability team and knowledge hiding.
Movement relationship repeated ... against CTS incident	Mariana, HV et al. (2018)	Quantitative – Observational	Repetitive motion, age, and years of service are related significant with CTS risk.
Green Engagement Optimization ...	Maylinda, A. et al. (nd)	Conceptual Study	Award green and financial rewards can increase employee green engagement.
Relationship between justice organization ...	Munir, M. (2023)	Quantitative	Justice organization and professionalism influential positive to job satisfaction.
Introduction to Abnormal Psychology ...	Pati, WCB (2022)	Textbook	Provide understanding base about abnormal psychology and approaches his intervention.
Trust and conflict in online groups with faultlines ...	Peñarroja , V. et al. (2024)	Experiment	Intervention emotion repair trust and reduce conflict in online group with faultlines.
Analysis Influence Award ...	Prasetianto, W. et al. (2024)	Quantitative	Awards and incentives in a way significant increase employee work ethic .

Impact of incentive programs ...	Puspita, LMN, & Rischa, DP (2022)	Quantitative	Third factor influential positive to improvement performance task.
Management source Power man	Rachman, A. et al. (2024)	Books / References	Provide guide practical in effective human resource management.
Development Professionalism Librarian ...	Rodin, R., & Amrullah, AK (2023)	Systematic Review	Knowledge sharing is important in development librarian facing the 5.0 era.
Recognition and rewards in management sdm ...	Sholeh, MI (2023)	Quantitative	Recognition and rewards have an impact significant to teacher motivation.
Management Strategy Employee in UMKM...	Surtinah, W. (2025)	Case study	Strategic HR management increase MSME performance.
Visual and digital tooth shade selection methods...	Tabatabaian, F. et al. (2021)	Literature Review	Digital methods are more accurate and precise compared to visual in election color tooth.
Implementation Incentive Term Short ...	Tjahjono, GAK (2024)	Case study	Incentive term short increase employee motivation and job satisfaction.
The influence of age-based faultlines on team performance	Valls, V. et al. (2021)	Quantitative – Mediation Model	Fault lines age influence performance team through track mediation such as conflict and cohesion .
The effects of knowledge hiding on new product creativity...	Xi, C., & Qu, X. (2025)	Quantitative – Survey	Knowledge hiding in team with fault lines information lower creativity new products.

Based on the literature review conducted about role faultline and incentives in behavior knowledge sharing shows that fault line can create obstacle in collaboration, while incentive serves as an incentive to improve interaction positive. Faultline, which refers to the dividing line in group based on characteristics demographic or psychological, can create identity stronger social among member group, which has the potential reduce collaboration and knowledge sharing. Research previously, as stated by (Ma et al., 2022) show that group with strong faultline tend own behavior

lower knowledge sharing compared to with group with weak faultline. This indicates that management faultline is very important to improve interaction positive in group.

In this article, we do analysis to role faultline and incentives in behavior knowledge sharing. Faultline, which refers to the dividing line in group based on characteristics demographics, values, or expertise, can influence dynamics group and inhibit communication as well as collaboration. Research show that group with strong faultline tend experience fragmentation, which has an impact negative on behavior sharing knowledge. On the other hand, incentives, both financial both financial and non- financial, serve as a driver for sharing knowledge. The incentives designed well can increase motivation individuals to share knowledge, especially in context organization, and can help reduce impact negative from fault line with push interaction between member group.

However, the interaction between faultline and incentives show that fault line can weaken effect positive from incentives. In groups with strong faultline, incentives may not be enough to encourage share knowledge because existence distrust and lack communication between subgroups . On the other hand, in more homogeneous groups, incentives tends to be more effective in push collaboration and knowledge sharing. This finding has implications significant to performance organization, where successful organizations manage faultline and provide the right incentives tend own level higher innovation and better performance.

From the perspective theoretical, results This study highlights importance understand dynamics group in context knowledge sharing. Integration of theory about faultline and incentives required to provide a more comprehensive picture about factors that influence behavior share knowledge. For managers and leaders organization, it is important to realize that fault line can become barrier in sharing knowledge. Therefore, the strategy to reduce impact negative faultline, such as building a more diverse and inclusive team, must considered. Additionally, designing appropriate incentives with needs and motivation member group can increase effectiveness share knowledge.

Although results This research provides Valuable insight, there is a number of necessary limitations be noted. There are many studies that exist nature qualitative and may not be possible generalized to all contexts. Other factors, such as culture organization and leadership, can also influence behavior share knowledge and need be further investigated. Therefore, the direction study furthermore can explore the relationship between faultline, incentives, and other influencing factors sharing knowledge, such as technology information and communication. Longitudinal studies can also give better understanding of How these dynamics are changing along time. With Thus, this article is expected can give meaningful contribution in understand role faultline and incentives in behavior share knowledge.

On the other hand, incentives, both financial both financial and non- financial, serve as a driving force for sharing knowledge. The results of the study (Puspita & Rischa, 2022) show that scheme incentive more effective groups in push behavior knowledge sharing vs. with incentive individual. Incentive group create a sense of responsibility answer collective that can increase collaboration. However, even though incentive can increase share knowledge, not found significant support for interaction between scheme incentives and influences fault line to behavior share knowledge. This shows that although incentive can helpful, they are not completely overcome impact negative from strong faultline .

Therefore, the organization need devise a considered strategy management faultline and implementation the right incentives to improve culture share knowledge. This can done with to form a more homogeneous team or with create an environment that encourages collaboration between subgroup. With This understanding is expected organization can understand better dynamics that occur in group and formulate steps strategic to improve collaboration and knowledge sharing. This research is supported by various literature, including studies (Ilmi et al., 2024; Lestari et al., 2025; Surtinah, 2025), which emphasizes importance management diversity and incentives in increase performance team and innovation.

CONCLUSION

Based on the literature review conducted, faultlines and incentives play a significant role in influencing knowledge-sharing behavior within organizations. Faultlines, which create divisions in groups based on demographic or psychological characteristics, can hinder collaboration and communication among members, thus reducing the effectiveness of knowledge sharing. On the other hand, incentives—both financial and non-financial—serve as motivators that can increase individuals' willingness to share knowledge, even in the presence of existing faultlines. The analysis shows that groups with strong faultlines tend to have lower levels of knowledge sharing compared to more homogeneous groups. However, well-designed incentives can help reduce the negative effects of faultlines by encouraging positive interactions among group members. Nevertheless, the interaction between faultlines and incentives indicates that incentives may not be sufficiently effective in groups with strong faultlines, where distrust and lack of communication obstruct knowledge-sharing efforts. Therefore, organizations must develop strategies that consider both the management of faultlines and the implementation of suitable incentives to build a better knowledge-sharing culture. This can be achieved by creating more inclusive and diverse teams and by designing incentive structures that align with the needs and motivations of group members. By doing so, organizations can foster a collaborative and innovative environment that supports the collective use of knowledge for improved performance and competitiveness.

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