An Examination of the Factors that Influence Whether Newcomers Protect or Share Secrets of their Former Employers*

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ABSTRACT This research investigated the factors that influence a decision that is often faced by employees who have made a transition from one organization to another: the decision about whether to protect secrets of their former employer or to share them with their new co-workers. A total of 111 employees from two high-tech companies participated in interviews. Their comments were analysed and, based on both relevant literature and the results of that analysis, a theory of the factors that influence newcomers’ protect vs. share decisions was developed. According to that theory, newcomers first decide whether or not information is a trade secret of their former employer by considering (1) whether the information is part of their own knowledge, and (2) whether the information is publicly available, general, and negative (about something that did not work). If newcomers decide the information is a trade secret, they then evaluate (1) the degree to which their obligations are biased towards their former or new employer, and (2) the degree to which they identify more strongly with their former or new employer. Newcomers whose obligations and identifications are biased towards a new employer are more likely to share secrets. If these obligations and identifications are balanced, newcomers may share information in a way that allows them to believe they are fulfilling their responsibilities to both their former and their new employers.

INTRODUCTION

When people make transitions from one social group to another, they face numerous challenges as they strive to adapt to their new situation (Chen, 2005; Jones, 1986). Numerous scholars have studied a variety of aspects of these transitions (Beyer and Hannah, 2002), including the kinds of tactics used by social groups to try to facilitate the adjustment of newcomers (Jones, 1986; Van Maanen and Schein, 1979), the effects of different tactics on newcomer adjustment (Cable and Parsons, 2001), and the ways that newcomers can and do act proactively during their transitions (Kim et al., 2005; Morrison, 1993). But in spite of all that we have learned, there is at least one substantial

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