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Knowledge exchange and transformational leadership style for team improvement

Intercambio de conocimientos y estilo de liderazgo transformacional para el mejoramiento del equipo

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ABSTRACT

The principal objective of the current study was to explore the link between knowledge sharing, transformational leadership style, team performance, and mutual trust. In addition, the moderating role of mutual trust was also examined in the relationship of all other variables. Findings of the current study suggest team performance improves through the sharing of knowledge. The current study also viewed that team members share knowledge through coordination and that much of the knowledge shared is tacit. The study used PLS-SEM to analyses the data.

Keywords: Knowledge sharing, mutual trust, team performance, transformational leadership.

RESUMEN

El objetivo principal del presente estudio fue explorar el vínculo entre el intercambio de conocimientos, el estilo de liderazgo transformacional, el rendimiento del equipo y la confianza mutua. Además, el papel moderador de la confianza mutua también se examinó en la relación de todas las demás variables. Los resultados del estudio actual sugieren que el rendimiento del equipo mejora a través del intercambio de conocimientos. El estudio actual también observó que los miembros del equipo comparten conocimiento a través de la coordinación y que gran parte del conocimiento compartido es tácito. El estudio utilizó PLS-SEM para analizar los datos.

Palabras clave: Confianza mutua, desempeño del equipo, intercambio de conocimientos, liderazgo transformacional.

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1. INTRODUCTION

In the current era of globalization, there exists immense competition due to local and international competitors (Jernsittiparsert et al., 2013: 218-225). For this reason, organizations are forced to adopt activities that are performance-oriented and play a central role in organizational development. Several support mechanisms are adopted by organizations to improve the human resource available to them. These mechanisms are developed at organizational and employee levels in which teams and employees of the organization are given learning opportunities, leadership support, and empowerment as well (Yoon et al., 2013: 249-264).

Team performance is an essential indicator of the success of any organization, considering factors related to the organizational environment and individual environment. The core of a team lies with its members who play a critical role in organizational performance as these players collaborate and are also competitors as well. There exist different criteria related to team formation, so the effectiveness of a team may vary in each organization. Several researchers discuss all these criteria and constructs related to team development and performance.

Organizations have to put much effort into developing and form high functioning teams within the organization. They have to go through much pain and struggle to form a team. There are different stages of team formation, which need proper guidance to leaders to form a team. All organization faces the stages of formation of team development. Leadership is a significant factor in the success or failure of the team. The contribution of every team member achieves the collective success of the team. So, there can be several reasons for the failure of a team, including the inability of team members to perform, lack of coordination resulting in collective failure and the problem of synchronization among team members (Zaccaro, et al., 2001: 451-483; Osman & Sentosa, 2013: 25-37). This shows that a lack of proper guidance and leadership can be a significant cause of team failure.

When the teams are formed, there exists a link among team members in terms of motivation, proficiencies, and personalities. It is expected that a team will perform several complex goals in a short period. It is expected that there will be proper leadership within the team that will communicate and define the established goals. Moreover, the leader will also outline goals to be achieved by the team. There are several styles of leadership adopted by organizations to achieve a common goal. Transformational leadership is one of the most common and discussed styles of leadership. The transformational leaders play the role model of all followers and team members who share knowledge and creative ideas so the team can work efficiently and cooperatively (Choi, et al., 2016: 459-479; Orumwense et al., 2017: 19-23; Olowa et al., 2017: 1-8).

The purpose of this paper is to empirically evaluate the impact of Knowledge Sharing and Transformational Leadership on team performance in order to determine whether these vital human resource variables have a significant influence on the development and performance of teams. The study has also investigated how mutual trust among the team members moderates the relationships between knowledge sharing and team performance, along with finding the association of transformational leadership and team performance.

There are several characteristics of capable team performance. First of all, the actions of team members should be integrated to achieve a goal. Secondly, members of the team are required to perform in dynamic and complex environments. The third characteristic is the leadership style of the team. These leaders are critical members of the team who define the goals and objectives of the team. They also assign tasks to team members to achieve these goals (Zaccaro & Klimoski, 2002; Omenka et al. 2017: 505-520).

There is a significant difference between knowledge sharing and other terms, like knowledge exchange and knowledge transfer (Jernsittiparsert & Srisawat, 2019: 432-447). There is an acquisition of knowledge in knowledge sharing while in knowledge exchange and knowledge transfer; it is just distribution of the acquired knowledge. Moreover, knowledge sharing is also related to communication but. However, in the strict sense, it is not possible to share all information, like confidential information, or detailed knowledge cannot be shared

freely. Sharing of knowledge is a cognitive subject. Rebuilding the behavior of employees is indispensable to get knowledge from others. The knowledge used by it is to be acquired, thus sharing the knowledge. The relation among at least two parties is knowledge sharing because one of the two parties has the knowledge, and the other side acquires that knowledge (Zheng, 2017: 51-58). Leaders and leadership fascinate all as it is observed that leaders inspire individuals, corporations, and nations all. Academicians, researchers, and scholars have tried to understand and define the process of leadership (Jermsittiparsert & Srihirun, 2019: 531-538). Stogdill (1974) pointed out that there exist as many definitions of leadership as the number of scholars who have tried to define this concept. Among these definitions and explanations, the concept of transformational leadership has attracted many scholars. Most of the studies conducted in the last 20 years regarding leadership are based on transformational leadership (Judge & Bono, 2000: 751; Sangpern & Chienwattanasook, 2019: 33-41).

The performance of a team is improved as a result of knowledge sharing. It is because of three reasons: enhanced creativity, better problem solving, and improvement in the decision-making process. The team members can consider more options due to knowledge sharing. Followers can learn from the experience of other employees and team members. In this way, knowledge is used within the team in a better way, which leads to an improvement in the decision-making process. The problems faced in an organization can also easily be solved by knowledge sharing because problems can be better understood, more alternatives to solve the problem can be explored, and issues causing problems can be found out. Several studies have supported the argument that team performance is improved by knowledge sharing (Jamshed & Majeed, 2018).

Leadership at the level of the team is essential for the firm to be successful because a large number of firms are adopting the culture of team-based work. Transformational leaders are confident and optimistic about the future. Moreover, they express the goals and objectives to followers. In this way, followers are encouraged as they view the vision of the organization to be meaningful. Employees also consider their work as an essential contribution to achieving organizational goals (Piccolo & Colquitt, 2006: 327-340).

In the current study, trust is seen as faith in the goodwill and behavior of others that can vanish or grow due to experience or interaction. Lack of trust among the team members may also impact productivity, empowerment, delegation, and communication. Trust is very sensitive, that can be lost quickly because of negative experiences. Researchers have reported four elements of trust-building, namely, respect, consistency, openness, and honesty. Without any one of these dimensions, trust can even break or fray (Hakanen & Soudunsaari, 2012).

2. METHODS

In order to address the objectives and research questions of the current study, a survey method was used. A primary research technique was employed, taking the questionnaire as a tool for data collection. The structural equation modeling for analyzing the structural relation was selected. SEM is a combination of multiple regression and factor analysis and observes the structural relation between the latent and measured constructs as well as the direct and indirect connection between constructs. The selection of sample size is an essential aspect of Structural Equation Modelling. In the process of choosing an appropriate sample size, a sample of 500 was selected for this research. However, in order to avoid response-bias, the sample size was increased to 600. The overall response rate came out to be 72.5 percent having 435 well addressed questionnaires.

Also, the Statistical Package of Social Sciences (SPSS) was also employed for assembling data and for advanced statistical analysis. Initially, the responses obtained through questionnaires were coded into the software, and statistical analysis was performed through PLS. SEM is an advanced multivariate analysis and has been broadly used in business research. It involves data analysis of multiple variables observing the direct and indirect causal relation with simultaneous estimation of separate, multiple, and interdependent regression

equations. The SEM technique is preferable as compared to multiple regression because SEM simultaneously observes the nature of the association between multiple variables, whereas multiple regression observes the relation between these variables separately and independently.

3. RESULTS

Structural Equation Modeling helps in identifying the extent to which the determination of the structural model is in line with the sample data and how appropriately it fits the data. It particularly observes the structure of relationships among the existing observed variables (Hair et al., 2014: 106-121). On the other hand, observed variables explain the latent variables were helping to make inferences about them. However, latent variables are the unobserved variables that require more and more constructs for defining. Furthermore, a maximum likelihood approach was used for the advanced evaluation of the model. Measurement model, together with the confirmatory factor analysis, examined the estimates from the CFA (see figure 1).

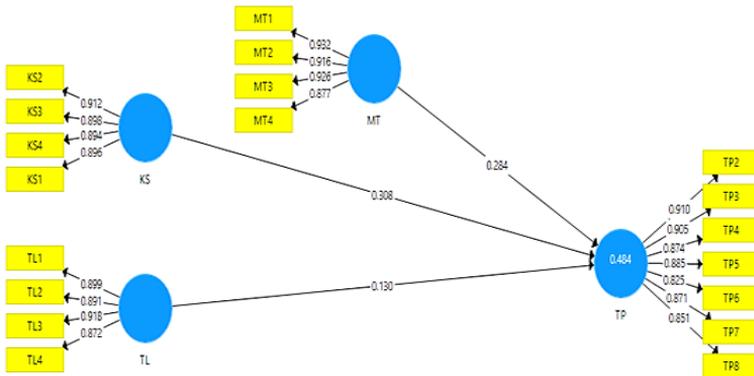


Figure 1: Measurement Model

Confirmatory Factor Analysis was also used to assess whether the constructs of both proposed and measured models show consistent results.

	KS	MT	TL	TP
KS1	0.896			
KS2	0.912			
KS3	0.898			
KS4	0.894			
MT1		0.932		
MT2		0.916		
MT3		0.926		
MT4		0.877		
TL1			0.899	
TL2			0.891	
TL3			0.918	
TL4			0.872	
TP2				0.910
TP3				0.905
TP4				0.874
TP5				0.885
TP6				0.825
TP7				0.871
TP8				0.851

Table 1. Outer Loadings

The coefficient value of 0.80, 0.70, and 0.60 are considered to be good, acceptable, and poor reliability. According to this rule of thumb, a value above 0.50 depicts adequate reliability, and less than 0.50 depicts poor reliability of constructs. However, 0.50-0.60 is a suitable and acceptable range for the measures of reliability. All the constructs for the present study turned out to be reliable. Based on previous researches, 0.60 was taken as the threshold value for the Cronbach alpha estimate.

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
KS	0.866	0.967	0.969	0.68
TS	0.93	0.95	0.96	0.799
MT	0.968	0.949	0.96	0.829
TP	0.867	0.968	0.97	0.667

Table 2. Reliability Analysis

The goodness of fit indices turned out as TLI= 0.938, PNFT= 0.933, RMSEA= 0.05, and CFI=0.94. The values of all estimates are within the acceptable levels, explaining the goodness of fit. However, the SEM-PLS is used for the estimation of the inner model, i.e., determining the composite reliability, discriminant validity, and factor loadings of the constructs.

Discriminant validity is also obtained for the current study by comparing the item and cross-loadings. Discriminant validity determines the extent of distinctiveness and visibility of the measures of constructs. Afterward, the structural equation model is estimated using a path diagram, which is a useful technique of measuring the indirect and direct association between observed constructs. For this reason, SEM was preferred for this research and hypotheses testing.

	KS	TS	MT	TP
KS	0.825			
TS	0.827	0.894		
MT	0.815	0.892	0.911	
TP	0.885	0.723	0.730	0.817

Table 3. Discriminant Validity

Furthermore, a hypothesized structural model was developed for assessing the relationship between the latent constructs. However, path coefficients were obtained to observe the association between the variables and to conclude the proposed hypotheses. After assessing the structural model, the fitness of the model was checked through the Goodness of Fit test. It determines if the proposed model is appropriate for hypothesis testing. Finally, the measurement model was converted into the structural form for identifying the association between exogenous and endogenous constructs. Table 4 shows the findings of direct hypotheses, depicting the significant acceptance of all direct hypotheses.

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
H1	0.414	0.416	0.048	3.672	0.001
H2	0.563	0.353	0.068	3.516	0.001
H3	0.652	0.654	0.059	4.912	0.000

Table 4. Direct Relations

The moderation of mutual Trust in the relationship between knowledge sharing, transformational leadership style, and team performance is shown in Table 5.

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
H4	0.524	0.635	0.078	4.372	0.001
H5	0.474	0.764	0.070	3.239	0.000

Table 5. Indirect Relations

Nonetheless, Table 7 shows that R2 is 76.7%. According to Chin (1998), R2 value above 0.67 is considered as substantial, more than 0.33 considered as moderate; however, value below 0.33 but above 0.19 describe weak determination. In the current study R2 value is 0.484 which is substantial

Latent Variable	Variance Explained (R ²)
TP	48.4%

4. CONCLUSION

The principal objective of the current study was to explore the link between knowledge sharing transformational leadership style, team performance, and mutual trust. In addition to that moderating role of mutual trust was also examined. The study has approached the argument that knowledge sharing and transformational leadership style improves team performance. Findings of the current study suggest that creativity is a process that starts in the team through the sharing of knowledge. The current study is also of the view that the process of creativity starts in the situation when the team members share knowledge through coordination and it is also argued that the much of the knowledge is shared when team members meet to share knowledge in a given area, much of which is tacit.

Sharing such tacit knowledge creates a flow of novel ideas that contribute to successful outcomes, such as new products, processes, and patents. The findings of the study have shown agreement with the proposed or hypothesized results. The study has used PLS-SEM to analyse the data. The study will be helpful for policymakers in the researcher in understanding the issues related to the variables of the study. The findings of the study revealed the fact that, though trust is complicated yet is a key to team-level performance. It is argued that trust considered a foundation of working together as it helps in enhancing social interactions. Trust plays a crucial role when global business teams, startups, and networks are being created.

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