

# Chapter 71

## Multi-Group Moderation Analysis for Relationship between Knowledge Sharing Orientation and Business Performance

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### ABSTRACT

*This paper examines the moderating effect of firm age on relationship between knowledge sharing orientation and business performance. Convenience sample of 274 firms from manufacturing and service sector was taken as sample for the study from National Capital Region (NCR) and Punjab State of India. The survey questionnaire was administered to the managerial level employees (C.E.O's, top level and middle level managers who were key decision makers in the organizations). The findings show that the knowledge sharing orientation exhibits a positive impact on business performance; firm age does not moderate the relationship between knowledge sharing orientation and business performance. The findings of the research will help knowledge management researchers as well as practitioners develop a better understanding of the role of knowledge sharing in successful implementation of knowledge management programs.*

### INTRODUCTION

Knowledge sharing orientation stands for the tendency in the organization to facilitate, encourage and reward knowledge exchange with a motive of capturing tacit and explicit learning

gained by the employees. Knowledge sharing orientation is one of the important dimensions of knowledge management orientation (Vij & Sharma, 2004). Knowledge sharing is the critical means through which employees can contribute to knowledge application, innovation and ultimately

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the competitive advantage. Knowledge sharing oriented knowledge management practices include: appointment of facilitators to help people better express what they know so that others can understand it, making knowledge sharing behaviors integral part of performance appraisal system, depriving people of some organizational benefits for not sharing the knowledge, publicly recognizing and rewarding the knowledge sharing employees. In such an atmosphere, people do not have any reservations while parting with their tacit knowledge. Intra-organizational knowledge sharing keeps knowledge and information obtained from various sources up-to-date and serves as a guide for future action (Hsu & Wang, 2008).

Business performance is normally defined as the degree to which the organization is able to meet the needs of its stakeholders and its own needs for survival. It is influenced by different factors that are combined in different ways to both increase and detract performance (Ramayah, Samat & Lo, 2011). The focus on organizational performance to gain competitive advantage is essential for any business organization. Business performance is considered as a complex multidimensional construct. Organizations may assess performance based on tangible outcomes like profitability, market share, growth in number of employees, product quality etc. Other criteria may be intangibles such as customer satisfaction, employee satisfaction or product development. Though measure of performance may be objective (available in financial statements) or perceived/subjective, the use of subjective measure is common practice in strategy related research when financial statement data are unavailable or they do not allow for accurate comparisons amongst firms. Financial data for empirical research cannot be easily obtained because of sensitivity of this data (Rhodes et al., 2008; Rasula, Vuksic & Stemberger, 2012). Moreover, literature shows that there is high correlation between subjective and objective measures of performance (Dess & Robinson, 1984).

The present study endeavours to find the impact of knowledge sharing orientation of business on its performance, in the Indian context.

## PREVIOUS STUDIES

The construct of knowledge sharing has been studied from different facets. Knowledge sharing includes not only the transmission (sending) of knowledge but also the absorption of the knowledge by the receiver (Khalil & Shea, 2012).

The Literature suggests that top management supports are positively associated with knowledge sharing (Gupta, 2008; Hsu & Wang, 2008). Jennex et al. (2008) suggest that continuous management support is a critical success factor and also necessary for sustaining knowledge management success. However, CEO's and other critical decision makers provide the necessary environment that encourages knowledge management through knowledge creation and reuse and provides the necessary resources for the effective knowledge management initiative.

Continuous senior management support is a critical success factor and significantly influences knowledge sharing process through employees' perception of a knowledge sharing culture and their willingness to share knowledge, providing the management environment that encourages KM through knowledge creation and reuse by members of the organization (Connelly & Kelloway, 2003; Lin, 2007, Jennex et al., 2008, Wang & Noe, 2010, Mathew et al., 2012). However, Wickramasinghe & Widyaratne (2012) did not find evidence for a positive and significant relationship between team leader support and knowledge sharing.

Organizational support is positively associated with organizational perceptions of innovation characteristics and interpersonal trust, which in turn are positively related to organizational intention to facilitate knowledge sharing (Lin, 2006). Martin et al., (2005) observed that lack of trust, diverse cultures and lack of time can prevent knowledge

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