

## Chapter 43

# Knowledge Sharing in Business Organizations: Leadership Role in Knowledge Sharing at Turkish Enterprises

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### ABSTRACT

*This chapter aims to explain leadership in knowledge sharing in the business environment. Knowledge sharing is not primarily an information technology issue, because knowledge exists not only in the minds of members but also in the business processes and structures of organizations. That is why Knowledge Sharing Culture (KSC) and leadership play a significant role on knowledge sharing. This chapter presents the findings of a study which was carried-out to investigate the effects of different leadership styles on knowledge sharing in business organizations. As leadership dimensions; transformational, transactional, autocratic, self-leadership and laissez-faire leadership styles were analyzed. A quantitative empirical research using the survey method was adopted to see the leadership effects on KSC in the 130 enterprises from the Aegean Free Zone/Turkey. The findings of the study revealed that trust, sharing data freely, friendship and teamwork were important in knowledge sharing.*

### INTRODUCTION

Knowledge exists not only in the minds of the members (Davenport & Prusak, 1998), but also in the business processes and structures of organizations. Knowledge sharing is not primarily dependent on technology, but it is correlated with culture because culture defines the value of the knowledge that members share due to the exchange (Xu, Jiang, Wang, Yuan & Ren, 2014). That is why organizational cultural issues, Knowledge Sharing Culture (KSC), and leadership play an important role in influencing knowledge sharing practices (Galagan, 1997; Blankenship & Ruona, 2009).

DOI: 10.4018/978-1-5225-1913-3.ch043

The main objective of this chapter is to examine the effects of different leadership styles on knowledge sharing in business organizations. The sub-objectives were, first to research on organizational culture and leadership concepts in knowledge sharing culture, and second, to find out the most effective leadership styles that promote knowledge sharing culture. More detailed explanation of the objectives are in the “main focus and objectives” part of the chapter. The empirical research was conducted in enterprises in the Aegean Free Zone in Izmir/Turkey (Arun, 2008).

A free zone is an area that is within the boundaries of a country, and yet is considered to be outside of the customs zone and is designed to attract export-oriented activities. Firms in free zone have more analogous cultural relations because they are in more a closed environment. That is why enterprises in the free zone were chosen as sample. Meanwhile, the origins of the firms and business have a broad range. In general, although free zones are within the political boundaries of the country, they are places which are physically separated from other parts of the country. Free zones are considered to be outside the customs area, legal and administrative regulations. The economic and financial obligations of the host country are not implemented or are partially implemented and the organizations are given more extensive incentives for their industrial and commercial activities. In addition to their contribution to the economy of the country they operate in, free zones, with its their modern and flexible administrative structures, provide modern and advanced investment environment for the companies that want to develop more foreign trade as well as increase their importance as logistics centers. As a way of encouraging export-oriented investment and production, free zones have been operating in Turkey since 1987.

This chapter will shed light on the effects of leadership on knowledge sharing from different leadership perspectives, including; transformational, transactional, autocratic, self-leadership and laissez-faire styles and their dimensions. The originality of the chapter comes from the proof that there *is* no most effective leadership style on KSC, instead intersection of different dimensions of leadership styles has the most convenient ways of embracing KSC. As a result, proper reward systems and management by exception- were found to be the most significant for knowledge sharing.

## **LITERATURE REVIEW**

The nature of knowledge sharing processes depends on cultural (Bureš, 2003) and structural factors. Important factors of organizational culture are organizational structure, leadership, process, structure, reward system, IT system and people. Motivation, trust and interaction are also important factors (Al-Alawi, Al-Marzooqi, & Mohammed, 2007). Knowledge sharing is facilitated by leaders who are able to reconcile centralized and shared leadership (Santos, Wane & Lopes, 2014). Leadership plays a strategic role in knowledge sharing and in merging knowledge management with the organizational targets (Kukko, 2013). According to Davenport and Prusak (1998), leaders guide organizations’ professional knowledge managers and lead the development of learning and knowledge strategies. In other words, leaders have a key role not only in the knowledge sharing culture but also in the retention of the organizational knowledge (Lin, Chang, & Tsai, 2016).

In sharing knowledge, the methods used must always suit the organizational culture (Davenport & Prusak, 1998) of which leaders are the cornerstone shaping that culture. Even though Seba, Rowley, and Lambert (2012) found that rewards do not influence attitude to knowledge sharing, Aho & Uden (2014) revealed that a reward system is linked to knowledge sharing and top management support. According to Lin and Hsiao (2014), transformational leadership is positively related to trust. This issue will be explained further in this chapter.

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