Chapter 4.22

The Impact of Leadership Style on Knowledge Sharing Intentions in China

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ABSTRACT

Knowledge management (KM) is a dominant theme in the behavior of contemporary organizations. While KM has been extensively studied in developed economies, it is much less well understood in developing economies, notably those that are characterized by different social and cultural traditions to the mainstream of Western societies. This is notably the case in China. This chapter develops and tests a theoretical model that explains the impact of leadership style and interpersonal trust on the intention of information and knowledge workers in China to share their knowledge with their peers. All the hypotheses are supported, showing that both initiating structure and consideration have a significant effect on employees’ intention to share knowledge through trust building: 28.2% of the variance in employees’ intention to share knowledge is explained. The authors discuss the theoretical contributions of the chapter, identify future research opportunities, and highlight the implications for practicing managers.

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INTRODUCTION

It is necessary for companies to organize their knowledge in order to succeed in today’s economy (Davenport & Prusak, 1998). This is also consistent with the knowledge based view of companies: knowledge could help a company maintain its competitive advantage (Kearns & Lederer, 2003). However, knowledge is kept in the human brain, as well as in documents, and it has been suggested that people tend to turn to other people for information rather than documents and intranets (Allen, 1977; Cross & Sproull, 2004). What is more, knowledge sharing is needed when people attempt to solve complicated or unstructured problems (Augier, Shariq & Vendelo, 2001). Thus, knowledge sharing between employees is quite a significant issue considering its potential impact on enhancing the effectiveness of firms (Cummings, 2004). Since it has been suggested that hoarding knowledge is an inherently human characteristic (Davenport & Prusak, 1998), knowledge sharing behavior could only be encouraged rather than mandated. Therefore, much research has focused on how to encourage employees to share knowledge within and across organizations (Tezuka & Niwa, 2004; Voelpel & Han, 2005).

In prior research which investigated how people can be encouraged to share knowledge, researchers have normally taken a variety of viewpoints, considering: managerial factors (Lin & Lee, 2004; Srivastava & Bartol, 2006); organizational factors (Cummings, 2004; Kolekofski & Heminger, 2003; Southon, Todd & Seneque, 2002); cultural factors (Kyriakidou, 2004; Reid, 2003) and so on. Recently, many researchers have recognized the importance of leadership in knowledge management (Chen & Barnes, 2006). However, relatively little attention has been paid to the detailed processes by which leadership style would exert an impact on knowledge management activities. In fact, it is believed that leadership has a direct impact on the way companies arrange knowledge management initiatives because leaders could set the example for employees (Bell, Dyer, Hoopes & Harris, 2004). More importantly, much research has recognized that managers could provide a supportive atmosphere and culture which could help to encourage employees to share their knowledge (McDermott, 2000).

Leader attributes and behaviors will be influenced by societal culture (House, Javidan, Hanges & Dorfman, 2002), and it has been further proposed that the cultural dimensions of power distance and collectivism/individualism have an impact on leadership style (Lu & Lee, 2005). Moreover, given the strong power distance (cf. Hofstede, 2001) that prevails in China, with leaders wielding considerable influence over the actions of their subordinates, the values and attitudes of leaders are of critical importance to the intention of employees to share their knowledge (Lin & Lee, 2004). Further, strong power distance could help to form the initiating leadership structure since attitudes towards authority affect leader-follower relationships (Casimir & Li, 2005). In addition, Chinese people are also inclined to strong collectivism and strive to maintain a good relationship with the people around them so as to achieve a harmonious situation (Wong, Wong & Li, 2007). This cultural characteristic is consistent with the consideration leadership style. Consequently, it is worth investigating whether managers’ leadership style (consideration and initiating structure) would affect employees’ intention to share knowledge in the Chinese context. Identifying and understanding the detailed process through which leadership style influences employees’ intentions to share knowledge is an important contribution to our knowledge about knowledge sharing practices in the Chinese context; indeed, it may have significant implications for organizations that plan to engage in knowledge work in China, a phenomenon that is increasingly frequently encountered.

A critical factor that is related to the impact of leadership style on knowledge sharing intention