Ethical leadership and employee knowledge sharing: Exploring dual-mediation paths

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ABSTRACT

Drawing on social learning and self-determination theories, this study investigates the mediating effects of controlled motivation for knowledge sharing and moral identity in the relationship between ethical leadership and employee knowledge sharing. We conducted a field study with 337 full-time employees to test our hypotheses. Results supported the mediating effects of both controlled motivation and moral identity in accounting for the relationship between ethical leadership and employee knowledge sharing. Our study is among the first to examine whether and why ethical leadership predicts employee knowledge sharing. Theoretical and practical implications are discussed.

The competitiveness of an organization greatly depends on the effectiveness of its knowledge management (Riege, 2005); the success of its knowledge management largely relies upon employees' motivation and willingness to engage in knowledge sharing (Gagné, 2009; Gibbert & Krause, 2002). Knowledge sharing, defined as "the act of making knowledge available to others within the organization" (Ipe, 2003, p. 32), has been found to be crucial for achieving effectiveness and greater innovation at the individual level (e.g., Huang, Hsieh, & He, 2014; Kim & Lee, 2013), team level (e.g., Gardner, Gino, & Staats, 2012; Gong, Kim, Lee, & Zhu, 2013; Srivastava, Bartol, & Locke, 2006), and organizational level (e.g., Andreeva & Kianto, 2012; Tsai, 2001). Not only is knowledge sharing essential for individuals and/or firms to pursue better performance, it has also been increasingly recognized as a moral challenge in organizations (e.g., Gentile, 1998; Jarvenpaa & Staples, 2001; Styhre, 2002; Van den Hooff & de Leeuw van Weenen, 2004; Wang, 2004). Lin (2007) has argued that employees' refusal to share knowledge with coworkers threatens the fundamental interests of an organization, such as its survival and competitiveness in the market, and hence might be considered a violation of the moral norm in organizations. Given the practical importance of knowledge sharing, it is essential for researchers to investigate the factors that influence employees' willingness and motivation to engage in knowledge sharing with coworkers (Bock, Zmud, Kim, & Lee, 2005).

To date, research on knowledge sharing generally follows the social capital approach to investigate the potential antecedents of knowledge sharing (e.g., Burt, 1992; Cross & Cummings, 2004; Hu & Randel, 2014; Inkpen & Tsang, 2005). While this line of research has contributed to our understanding of the important roles that contextual factors and organizational cues play in engendering effective knowledge sharing, this literature is still limited in several ways.

First, little to no research has investigated the effects of leadership on employees' knowledge sharing, despite the important roles

leaders play in determining subordinates' behavior at work. Srivastava et al. (2006) have specifically argued for the importance of empowering leadership in followers' knowledge sharing. However, the mechanisms linking leadership styles and knowledge sharing still remain unexplored. Second, while the majority of prior research has taken the social capital perspective to study knowledge sharing, little research has taken a moral lens to examine how leaders' ethicality shapes employees' knowledge sharing behavior, even though knowledge sharing behavior has moral relevance. As we elaborate below, it is theoretically plausible that ethical leadership might be an important predictor of employees' knowledge sharing behavior. Brown, Treviño, and Harrison (2005) define ethical leadership as "the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships, and the promotion of such conduct to followers through two-way communication, reinforcement, and decision-making" (p. 120). There are two major pillars to ethical leadership: a leader must be a *moral person* (demonstrating moral characteristics and traits in his/her behavior as a role model) and a *moral manager* (actively promoting moral principles through two-way and open communication, rewards, and punishment). Extant research has consistently shown that ethical leadership nurtures positive and morally desirable behavior among employees (e.g., Huang & Paterson, 2014; Kacmar, Bachrach, Harris, & Zivnuska, 2011; Liu, Kwan, Fu, & Mao, 2013; Newman, Kiazad, Miao, & Cooper, 2014; Wang & Sung, 2016). Third, to the extent that ethical leadership might predict employees' knowledge sharing behavior, we do not know whether the two sub-dimensions of ethical leadership, namely that the leader is a *moral person* and *moral manager*, play different roles in motivating employees to engage in knowledge sharing. In short, we do not know whether the effects of these two pillars of ethical leadership on followers' behavior (e.g., knowledge sharing) are channeled through different mechanisms.

To address these limitations, we seek in the present research to explore the role of ethical leadership in shaping individual employees' knowledge sharing with their coworkers and examine the two mediation mechanisms (based on the conceptualization of ethical leadership) that account for the proposed effect. We propose the moral approach as a new line for investigating the antecedents of interpersonal knowledge sharing among employees in organizations.

Our research has both theoretical and practical importance. From a theoretical perspective, our research contributes to the literature on ethical leadership and knowledge management in important and meaningful ways. First, we investigate whether ethical leadership can serve as an important predictor of employees' knowledge sharing behavior. Although knowledge sharing has been increasingly recognized as moral conduct in an organizational setting (e.g., Brief & Motowidlo, 1986; Wang, 2004), surprisingly, no prior work has empirically investigated knowledge sharing through a moral lens. Hence, our study is among the first to consider ethical leadership as an important antecedent of knowledge sharing. Second, through the integration of self-determination and social learning theories, we identify employee controlled motivation for knowledge sharing and moral identity as two distinct pathways through which ethical leadership is associated with employee knowledge sharing. Interconnecting the intervening roles of both *moral person* and *moral manager*, this study advances theory by delineating the roles of different regulatory mechanisms in the process of ethical leadership. Moreover, whereas the majority of past studies on knowledge sharing have adopted Nahapiet and Ghoshal's (1998) social capital framework (i.e., cognitive, relational, and structural dimensions) to guide their research on the macro and firm levels (e.g., Burt, 1992; Cross & Cummings, 2004; Hu & Randel, 2014; Inkpen & Tsang, 2005), this study adopts a moral perspective to consider knowledge sharing as an interpersonal-level and morally-relevant phenomenon and examine ethical leadership as a predictive variable of knowledge sharing. Doing so, we offer a novel perspective for the knowledge management literature to understand such behavior. From a practical perspective, our study highlights the important role that leaders play in fostering knowledge sharing in the workplace. Leaders' ethical behavior will have a positive effect in terms of employees' knowledge sharing actions at work, which has major implications for companies that are particularly interested in promoting the use and retainment of intangible assets through employees' knowledge sharing and information exchange.

Theory and hypotheses

Ethical leadership and employee knowledge sharing

As explained above, knowledge sharing refers to "acts of making knowledge available to others within the organization" (Ipe, 2003, p. 32). The construct of knowledge sharing is theoretically distinct from knowledge transfer. Although both constructs may be influenced by the social and environmental context (Szulanski, Cappetta, & Jensen, 2004; Wang & Noe, 2010), the enactment of knowledge sharing is often a function of the knowledge sharer's motivation, willingness, and attitude (Cabrera & Cabrera, 2002; Gagné, 2009), whereas the success of knowledge transfer depends upon the capabilities and motivation of both the knowledge transferors and transferees, and the relationship between the two (Szulanski, 1996; Tsai, 2001).

In addition, knowledge sharing is also different from voice, which has been defined as "behavior that proactively challenges the status quo and making constructive suggestions" (Van Dyne, Cummings, & McLean Parks, 1995, p. 266). Although both knowledge sharing and voice involve risk-taking and are regarded by researchers as extra-role behavior (Abrams, Cross, Lesser, & Levin, 2003; Bartol, Liu, Zeng, & Wu, 2009; Gao, Janssen, & Shi, 2011; Lee, 2001; Van Dyne & LePine, 1998), voice is a form of assertive nonconformance that may lead to disruptive alterations to an organization and have an unfavorable effect on interpersonal outcomes (Graham & Van Dyne, 2006; Tangirala & Ramanujam, 2008). In contrast, knowledge sharing, which is by nature prosocial, has been proven to be beneficial for interpersonal cooperation and collective effectiveness (e.g., Collins & Smith, 2006; Srivastava et al., 2006).

To date, research examining antecedents of knowledge sharing generally follows the social capital perspective, which identifies three sub-categories of antecedents: *relational*, *structural*, and *cognitive* factors. From the relational perspective, knowledge sharing can be determined by a) the mutual trust between the knowledge sharer and the knowledge recipient (Butler, 1999; Holste & Fields, 2010); b) the perceived managerial support (Brachos, Kostopoulos, Eric Soderquist, & Prastacos, 2007); and c) the type and the