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## An empirical investigation of the organisational justice, knowledge sharing and innovation capability

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### Abstract

Due to creating several strategic benefits to individual, group, organisations as well as nations, the knowledge sharing needs to be further studied to better understand its implications and determining factors. Organisations justice is an important concept that affects knowledge sharing in organisation, which in turn influences innovation capabilities of the organisations.

This study focuses on organisational justice and investigates its role on the knowledge sharing and explores the impact of knowledge sharing on innovation capability of the organisations. The research model along with hypotheses is developed from the related literature and tested based on the data collected through a survey method on three organisations in Adana in Turkey. Results confirm hypothesized the influence of organisational justice on the knowledge sharing. The effect of knowledge sharing on innovation capability constitutes another finding of this study. The implications of the study were discussed in the conclusion part of the study.

*Keywords:* Organisational Justice, Knowledge, Knowledge Sharing, Innovation Capability

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### 1. Introduction

Knowledge sharing is considered to be one of the most important aspects of knowledge management (Gupta *et al.*, 2000). Although knowledge sharing is crucial for organisations to survive, it is not easy to understand due to complexity of interaction between people and organizations (Yang and Wu, 2008). Identifying the factors that impede and promote knowledge sharing in organisations constitute a potential research area (Van Den Hoof and Ridder, 2004). Particularly, investigating the relationship between organisational justice and knowledge sharing as pointed out by Wang and Noe (2010) will be an important contribution to the literature.

Employees' perceptions of fairness in organisational settings, also known as organisational justice has many implications for individual and organisational process and outcomes (Baldwin, 2006; Coetzee, 2005; Cropanzano *et al.*, 2007).

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The benefits may include greater trust and commitment, improved job performance, more helpful citizenship behaviors, improved customer satisfaction, and diminished conflict. Besides these outcomes, current study suggests that organisational justice may improve the knowledge sharing in organisations.

Knowledge sharing is proposed to improve innovation capability and performance of the organisations (Cummings, 2003; Liebowitz, 2002; Lin, 2007; Yang and Wu, 2008; Zhi-hong *et al.* 2008). In today's knowledge based society, it is argued that knowledge tends to form the core competitiveness for any company (Xinyan and Xin, 2006). Creating, transferring and sharing knowledge in organizations have become very important to stay competitive in today's business world (Fang *et al.*, 2010; Ng, 2008; Syed-Ikhsan and Rowland, 2004). This study also looks at knowledge sharing as an important factor to improve innovation capabilities of the organisations.

This study aims to accomplish two important objectives. One objective is to investigate the role of organisational justice on knowledge sharing. Second objective is to look at the relationship between knowledge sharing and innovation capability. To answer the research objectives, an empirical study is conducted on companies in Adana in Turkey. Findings of the study are expected to contribute to the organisational justice, knowledge sharing and innovation literatures. Conducting a research in a developing context will also bring important insights regarding the concepts under study.

## 2. Theoretical Background

### 2.1. Organizational Justice

Justice or fairness is an important issue for individuals (Heidari and Saeedi, 2012; Judge and Colquitt, 2004). The justice and organisational justice are considered as an important part of social interactions and effectiveness in organisations (Coetzee, 2005; Greenberg, 1990; Heidari and Saeedi, 2012). Because these concepts have implications for individual and organisational process and outcomes, not only philosophers and social commentators but also management scientists have interested in studying and understanding such topic for a long time (Coetzee, 2005; Cropanzano *et al.*, 2007; Malik and Naeem, 2011).

The term organisational justice refers "to the extent to which employee perceives workplace procedure, interactions, and outcomes to be fair in nature" (Baldwin, 2006, p.1). It is also defined as people's perceptions of fairness in organizations (Coetzee, 2005; Cropanzano and Greenberg, 1997; Cropanzano *et al.*, 2007). Organisational justice affects people's attitude, behavior and consequently their performance and the organisational success (Coetzee, 2005; Cropanzano *et al.*, 2007). More specifically, Baldwin (2007, p.1) noted that "these perceptions can influence attitudes and behaviors for good or ill, consequently reflecting a positive or negative impact on employee performance and organisational outcomes". Organisational justice is generally considered to include three different components; distributive justice, procedural justice and interactional justice (Baldwin, 2006; Cropanzano *et al.*, 2007; Fernandes and Awamleh, 2006). Each dimension is explained in the later sections.

### 2.2. Knowledge Sharing

In a knowledge-based economy, knowledge is forming the core competitiveness and growth for companies as well as nations (Farn and Fu, 2004; Lin, 2007; Xinyan and Xin, 2006). Knowledge sharing is considered to be the most important aspect of knowledge management (Gupta *et al.*, 2000). Similarly Wang and Noe (2010) firmly stated that knowledge sharing plays a substantial role in the success of knowledge management initiatives. Xinyan and Xin (2006) argued that knowledge sharing is an important way of obtaining and creating knowledge in the workplace. Hu *et al.*, (2009) noted that "companies (businesses, industries) both large and small can gain a competitive advantage only if they are able to integrate the knowledge, expertise and skills of their employees and make use of the most effective managerial practices in their day-to-day operations. This entails the sharing of knowledge and the transforming of it into practice". In reviewing the knowledge sharing literature, Cummings (2003) discussed five important contexts that affect success of knowledge-sharing implementations based on the literature: the relationship between the source and the recipient, the form and location of the knowledge, the recipient's learning predisposition, the source's knowledge-sharing capability, and the broader environment in which the sharing occurs.

Knowledge sharing is defined as “a means by which an organization obtains access to its own and other organizations’ knowledge” (Cummings, 2003). Knowledge sharing is considered as a process where exchange and creation of knowledge among the individuals take place (Cummings, 2003; Van Den Hooff and De Ridder, 2004). Knowledge sharing process is conceptualised as two dimensions namely knowledge donating and knowledge collecting (Van Den Hooff and De Ridder, 2004). Knowledge donating is defined as the process of individuals communicating their personal intellectual capital to others, while knowledge collecting is defined as the process of consulting colleagues to encourage them to share their intellectual capital (Van Den Hooff and De Ridder, 2004; Lin, 2007).

### 2.3. Innovation Capability

Business organisations see innovation as a means toward achieving and sustaining strategic competitive advantages (Özgenç, 2006; Salaman and Storey, 2002). Terziovski (2007) noted that innovation is the main driver of international competitiveness and business outcomes. Similarly Scholl (2005) argued that if the companies lack innovation capacity and performance, then they can not speak of growth and competitiveness.

In today’s business world, competing for the future is not necessarily based on products and services but on the underlying capabilities that make the products and services possible (Egbetokun *et al.*, 2007). A firm’s capabilities are crucial in obtaining and sustaining competitive advantage (Akman and Yılmaz, 2008). Innovation capability is considered as an important asset of the organisations (Karagouni and Papadopoulos, 2007; Lawson and Samson, 2001; Terziovski, 2007). Bullinger *et al.*, (2007) argued that companies need to innovate in order to survive and create competitive advantages and noted that competitive success is dependent upon an organization’s management of its innovation competencies. Innovation capability is defined as “the holistic, corporate-wide potential of a company to generate new and unique values” (Schön, 2001, cited in Bullinger *et al.* 2007:18). Adler and Shenbar (1990) also defined innovative capability as: (1) the capacity of developing new products satisfying market needs; (2) the capacity of applying appropriate process technologies to produce these new products; (3) the capacity of developing and adopting new product and processing technologies to satisfy the future needs; and (4) the capacity of responding to accidental technology activities and unexpected opportunities created by the competitors (Akman and Yılmaz, 2008, p.79). Innovation capability is associated with the organizational potential to convert new ideas into commercial and community value (Terziovski, 2007). Innovation capability produces the potential for firm-wide behaviors leading to systematic innovation activities within the firm (Lawson and Samson, 2001). It is related to a variety of areas and thus is affected by different internal and external factors (Bullinger *et al.* 2007; Egbetokun *et al.* 2007).

Lawson and Samson (2001) identified several aspects of innovation capability from the related literature; namely vision and strategy, harnessing the competence base, organisational intelligence, creativity and idea management, organisational structure and systems, culture and climate, and the management of technology. They proposed that successful organisations tend to invest in these aspects of innovation capabilities.

## 3. Hypothesis Development

The following sections formulate the hypotheses of this study based on the explanation of the suggested links between main research variables, namely, organisational justice, knowledge sharing, and innovation capability.

### 3.1. Organisational Justice and Knowledge Sharing

Van Den Hoof and De Ridder (2004) argued that determining the factors that impede and promote knowledge sharing in organisations constitute a potential research area. Reviewing the literature on knowledge sharing, Wang and Noe (2010) noted that the justice–knowledge sharing relationship has received little research attention. Inspired from these statements, this study takes organisational justice as one of the antecedents of knowledge sharing and investigates its effect on knowledge sharing.

Cropanzano *et al.*, (2007) argued that organizational justice has the potential to create considerable benefits for organizations and employees alike such as greater trust and commitment, improved job performance, more helpful citizenship behaviors, improved customer satisfaction, and diminished conflict. Trust, job satisfaction and

commitment are the factors that affect the knowledge sharing behavior (Purvis *et al.*, 2001; Ridings *et al.*, 2002; Jiacheng *et al.*, 2010; Moffett *et al.*, 2003). Ibragimova (2007) argued that turning individual knowledge into organizational knowledge is difficult because individuals do not want to share knowledge for several reasons. An atmosphere of fairness in organisations has an important role in enabling a knowledge-sharing climate. Thus, organizational justice perceptions are fundamental building blocks of that environment, leading to knowledge sharing (Ibragimova, 2007). Organizational justice is generally considered as a three-dimensional construct: distributive justice, procedural justice, interactional justice (Colquitt, 2001; Xinyan and Xin, 2011) and used in several studies (e.g. Demirel and Seçkin, 2011; Xinyan and Xin, 2011). These dimensions and their link with knowledge sharing are shortly explained next.

**Distributive justice** concerns with appropriateness of outcomes (Cropanzano *et al.*, 2007). As argued by Ibragimova (2007), perceptions of organizational justice are important part of knowledge sharing environment. Employees with positive distributive justice perceptions are akin to collect and donate knowledge. A number of benefits such as trust, commitment, cooperation and more helpful citizenship behaviors resulted from the better implementations of justice in organisations may encourage knowledge sharing (Cropanzano *et al.*, 2007). One empirical study showed the positive influence of distributive justice on knowledge sharing (Demirel and Seçkin, 2011). Farn and Fu (2004) reported the positive impact of distributive justice on explicit knowledge sharing. In another study, distributive justice was positively correlated with knowledge sharing (Qianqian, *et al.*, 2011). Lin (2007) found that distributive justice influence tacit knowledge sharing indirectly via two mediators: organizational commitment and trust in co-workers. Based on the findings, Lin (2007) concluded that “employees may share knowledge owing to a satisfactory self-interest about distributive justice that may affect their own right in the organization”. Following these arguments and findings, the next hypotheses are suggested;

**H1:** *Distributive justice positively affects knowledge collecting*

**H2:** *Distributive justice positively affects knowledge donating*

**Procedural justice** is defined as “the fairness of the decision processes that lead to outcomes, and involves whether the decision procedures, process control and dispute settlement mechanism is fair, open, consistent, reasonable or not, and whether the employees are provided any ways to participate in the decision making or not” (Xinyan and Xin, 2011). Cabrera and Cabrera (2005) also regarded procedural justice as one of the most important knowledge-sharing antecedents. Organizational justice in general has the potential to create significant advantages for organizations and employees alike (Cropanzano *et al.*, 2007). Demirel and Seçkin (2011) found the positive effect of procedural justice on knowledge sharing. Procedural justice perceptions were related to expertise knowledge sharing in a study conducted by Ho and Klarissa (2009). Qianqian, *et al.*, (2011) reported that perception of procedural justice is positively related to knowledge sharing. The findings of Vernon and Alain (2006) indicated that the combination of high levels of absorptive capacity and procedural fairness is critical to effective knowledge transfer. Chung (2009) reported significant effect of procedural justice on the quality of refined knowledge and the extent of knowledge use. Procedural justice was also related to tacit knowledge sharing in another study (Farn and Fu, 2004). Lin (2007) found that procedural justice affects tacit knowledge sharing indirectly via two mediators: organizational commitment and trust in co-workers. According to the results from the study of Lin (2007), employees may share knowledge owing to a satisfactory self-interest about procedural justice. Based on the previous arguments and findings, the following hypotheses are developed;

**H3:** *Procedural justice is positively related to knowledge collecting*

**H4:** *Procedural justice is positively related to knowledge donating*

**Interactional justice** is defined as “quality of interpersonal treatment received by those working in an organisation” (Balwin, 2006). It is argued that organisations need to improve organisational justice because improvement in organisational justice perceptions may lead to the increased knowledge sharing in organisations (Demirel and Seçkin, 2011; Ibragimova, 2007). Organisational justice climate creates trust, job satisfaction and commitment affecting the knowledge sharing behavior (Ridings *et al.*, 2002; Moffett *et al.*, 2003). Qianqian, *et al.*, (2011) reported that perception of interactional fairness is positively correlated with knowledge sharing. An empirical study conducted by Demirel and Seçkin (2011) confirmed positive influence of interactional justice on knowledge sharing. Another study

found interactional justice as an antecedent of an attitude toward knowledge sharing (Ibragimova, 2007). Following these arguments and findings, the next two hypotheses are suggested;

**H5:** *Interactional justice positively influences knowledge collecting*

**H6:** *Interactional justice positively influences knowledge donating*

### 3.2. Knowledge Sharing and Innovation Capability

Knowledge sharing involves the processes through which knowledge is channeled between a source and a recipient (Cummings, 2003). Zhi-hong *et al.* (2008) argued that more and more researchers are studying knowledge sharing because of existing association between knowledge sharing and innovation. Both knowledge donating and knowledge collecting are two important underlying concept of knowledge sharing affecting innovation capability of the organisations. Wang and Noe (2010) noted that knowledge sharing is the fundamental means through which employees can contribute to knowledge application, innovation, and ultimately the competitive advantage of the organization (Jackson *et al.*, 2006). Knowledge sharing plays an important role in knowledge transfer and organizational innovation (Qianqian *et al.*, 2011). Similarly, many researchers note the importance of effective knowledge management on organisational innovation and performance (Kamasak and Bulutlar, 2009; Nonaka and Takeuchi, 1995; Lin, 2007). Findings from the research conducted by Zhi-hong *et al.* (2008) suggest that knowledge sharing within firms has a positive influence on innovation capabilities. Lin (2007) conducted a field study and found the positive relationship between knowledge sharing (knowledge collecting and knowledge donating) and innovation capability. Kamasak and Bulutlar (2009) found the influence of knowledge sharing on all types of innovations. Based on the previous argument and findings, the following hypotheses are suggested;

**H7:** *Knowledge sharing process (knowledge collecting) positively affects the innovation capability of the organisations*

**H8:** *Knowledge sharing process (knowledge donating) positively affects the innovation capability of the organisations*

## 4. Methodology

Methodology section explains sample, data collection, measures and data analysis.

### 4.1. Sample and Data Collection

To answer the research questions, an empirical study is conducted in Adana in Turkey. Data is collected through a survey designed by the researcher from the related literatures. In order to eliminate any problems regarding content and wording of the questionnaire, draft questionnaire were checked by the university staff that has expertise in survey type of research. The questionnaire was also sent to some employees from the target organisations. Based on the returned comments, the questionnaire was revised. The employees of three organisations in three different sectors constitute the sample of this study. Each organisation was contacted and 100 questionnaires were given to manager of each of the organisations. Fifty completed questionnaires were returned from each organisation, representing 50% response rate.

### 4.2. Measures and Data Analysis

Organisational justice items were taken from the study of Niehoff *et al.*, (1993). All knowledge collecting and donating items are taken from Van Den Hooff and De Ridder, (2004). Innovation capability items were taken and adapted from Lin (2007). All the items were rated on a five-point Likert-type scale ranging from degrees of strongly disagree to strongly agree. Because most of the employees do not know English, questionnaire items were translated into Turkish. The data was analysed by using Smart PLS 2.0 (Ringle *et al.* 2005).

### 5. Analyses and Results

Analyses and results consist of two parts: first part deals with explanations of descriptive statistics; second part explains the hypotheses testing and results.

#### 5.1. Descriptive Statistics

The data collected for this study comes from three organisations from Adana city of Turkey. The sample consists of three sectors and each representing one third of the sample. The ages of the respondents vary between 20-25 (%25.3), 26-31 (%33.3), 32-37 (% 24), 38-45 (%12.7) and 46 and up (%4.7). Different age groups are reflected in the sample. % 58.7 of the sample is male and the remaining part (%41.3) is female. Looking into marital status of the respondents indicates almost half of the respondents are married (% 52), the rest is single (% 48). The position of the respondents in the organisations; senior manager (%8.7), middle level manager (%11.3), lower level manager (%6), worker (%52), and other (%22). Educational level distribution is as follows; associate degree (%24.7), bachelor degree (%22.7), graduate (%8), doctorate (%4) and high school and less (%40.7). Respondent come from various departments of the organisations. Respondents come from different departments; accounting (%9.3); marketing (%36); public relations (%8); advertising (%4); human resources (%6); AR &GE (%2); and others (%34.7). The respondent in terms of employment years in the sector: 1 and less year (%27.3), 1-5 years (%45.3), 6-10 years (%18.7), 11-15 years (%4), and 15 and more years (%4.7).

#### 5.2. Hypotheses Testing and Results

The research model reflecting the research hypotheses H1 through H8 was analyzed using Smart PLS 2.0. Smart PLS simultaneously assesses the psychometric properties of the measurement model and estimates the parameters of the structural model. Reliability results of testing measurement model are shown in Table 1.

Table 1: Reliability Assessment of the Measurement Model

	AVE	Composite Reliability	Cronbachs Alpha	Disjust	Projust	Interjust	Knowco	Knowdo	Innocapac
<b>Disjust</b>	0,6385	0,8979	0,8583	<b>0,79906</b>	0	0	0	0	0
<b>Projust</b>	0,6987	0,9025	0,8560	0,7174	<b>0,826075</b>	0	0	0	0
<b>Interjust</b>	0,7383	0,9186	0,8819	0,738	0,7796	<b>0,816395</b>	0	0	0
<b>Knowco</b>	0,7554	0,9024	0,8372	0,5925	0,6184	0,6405	<b>0,869195</b>	0	0
<b>Knowdo</b>	0,7622	0,9276	0,8960	0,4715	0,5574	0,5714	0,7613	<b>0,873098</b>	0
<b>Innocapac</b>	0,7493	0,9372	0,9162	0,6181	0,6676	0,6229	0,7168	0,5462	<b>0,80181</b>

The results indicate that the measures are robust in terms of their internal consistency reliabilities as indexed by their composite reliabilities. The composite reliabilities of different measures in the model range from 0.89 to 0.93, which exceeds the recommended threshold value of 0.70 (Nunnally, 1978). The average variance extracted (AVE) for each measure exceeds 0.50, consistent with recommendation of Fornell and Larcker (1981). Table 1 also shows the test results regarding discriminant validity of the measure scales. The bolded elements in the matrix diagonals, representing the square roots of the AVEs, are greater in all cases than the off-diagonal elements in their corresponding row and column. This result supports the discriminant validity of the scales.

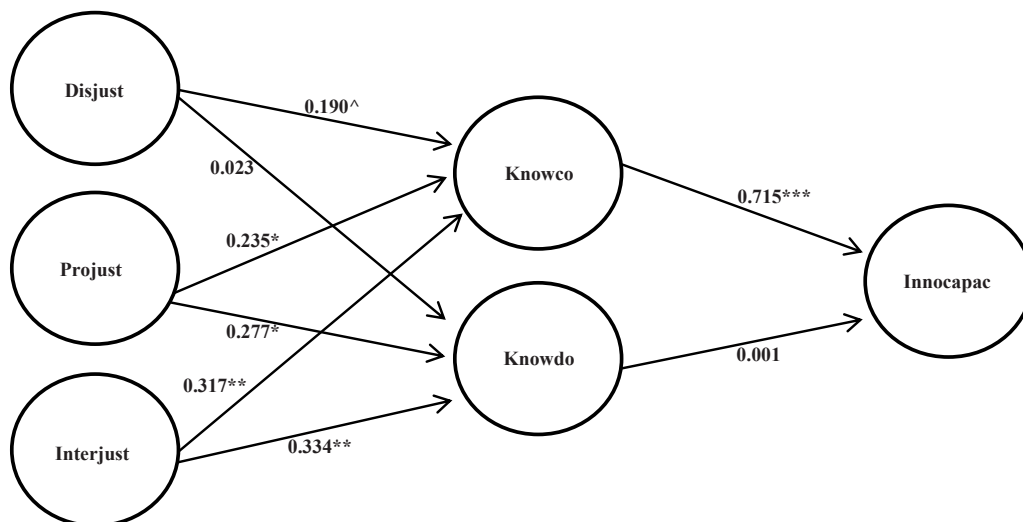
Convergent validity is tested with Smart PLS by extracting the factor loadings and cross loadings of all indicator items to their respective latent construct. The results are shown in Table 2. According to the respective table, all the items loaded (the bolded factor loadings) on their respective construct from lower bound of 0.71 to an upper bound of 0.90 and more highly on their respective construct than on any other construct (the non-bolded factor loadings in any one row). A common rule of thumb to indicate convergent validity is that all items should load greater than 0.70 on their own construct (Yoo and Alavi, 2001) and should load more highly on their respective construct than the other construct. Furthermore, each item’s factor loading on its respective construct was highly significant (P< 0.01). The loadings presented in Table 2 confirm the convergent validity of measures for the latent constructs. Please note that

some of the items were deleted from the model due to their low factor loading or reflect high loading on the more than one factor.

Table: 2 Factor Loadings and Cross Loadings

	<b>Disjust</b>	<b>Projust</b>	<b>Interjust</b>	<b>Knowco</b>	<b>Knowdo</b>	<b>Innocapac</b>
Item 1	<b>0,8256</b>	0,5089	0,5803	0,393	0,3354	0,4691
Item 2	<b>0,8308</b>	0,6161	0,5726	0,4205	0,2716	0,5172
Item 3	<b>0,8584</b>	0,6324	0,6334	0,5452	0,4514	0,6133
Item 4	<b>0,7593</b>	0,5586	0,5022	0,4376	0,2882	0,4657
Item 5	<b>0,7122</b>	0,5391	0,6198	0,5168	0,4667	0,3867
Item 6	0,6308	<b>0,8346</b>	0,6531	0,5362	0,4638	0,5896
Item 8	0,6724	<b>0,8389</b>	0,6534	0,5387	0,4495	0,5544
Item 10	0,6034	<b>0,8875</b>	0,6894	0,5799	0,5249	0,6275
Item 11	0,4781	<b>0,7792</b>	0,6095	0,3893	0,4168	0,4382
Item 17	0,6458	0,6954	<b>0,8642</b>	0,5888	0,5352	0,5703
Item 18	0,6757	0,6652	<b>0,8784</b>	0,5323	0,4845	0,5043
Item 19	0,6049	0,6302	<b>0,8407</b>	0,5158	0,4402	0,5159
Item 20	0,6087	0,6839	<b>0,8533</b>	0,5588	0,4969	0,546
Item 28	0,4646	0,4573	0,4437	<b>0,8145</b>	0,5699	0,6246
Item 29	0,5325	0,5487	0,5782	<b>0,9009</b>	0,7379	0,6402
Item 30	0,5443	0,5997	0,6381	<b>0,8896</b>	0,6705	0,6069
Item 31	0,4373	0,4286	0,5044	0,6766	<b>0,8682</b>	0,4806
Item 32	0,4047	0,4901	0,4467	0,6284	<b>0,8627</b>	0,4309
Item 33	0,4313	0,4776	0,5245	0,6636	<b>0,8944</b>	0,5047
Item 34	0,3747	0,5472	0,5198	0,6876	<b>0,8668</b>	0,487
Item 35	0,5484	0,5494	0,5807	0,6023	0,4431	<b>0,8423</b>
Item 36	0,4992	0,5844	0,5431	0,6517	0,4847	<b>0,8864</b>
Item 37	0,5393	0,6138	0,5513	0,6824	0,4994	<b>0,8913</b>
Item 38	0,5866	0,5649	0,5354	0,6176	0,5034	<b>0,8859</b>
Item 40	0,5048	0,5772	0,4826	0,5337	0,4281	<b>0,8201</b>

Note: **Disjust**: Distributive Justice, **Projust**: Procedural Justice, **Interjust**: Interactional Justice, **Knowco**: Knowledge Collecting, **Knowdo**: Knowledge Donating, **Innocapac**: Innovation Capability of the Organisations



Note: \*\*\* significant at  $p < 0.001$ , \*\* significant at  $p < 0.01$ , \* significant at  $p < 0.05$ , ^ significant at  $p < 0.10$

Fig. 1: The Structural Model with Path Coefficients

Figure 1 shows the results of the structural model, where the beta values of path coefficient indicate the direct influences of predictor upon the predicted latent constructs. Both *projust* (Procedural justice) and *interjust* (Interactional justice) showed a positive influence on the knowledge collecting and knowledge donating. This result gives full support for the hypotheses (H3, H4, H5 and H6). From the same figure it is also clear that *knowco* (Knowledge collecting) is positively related to *innocapa* (innovation capacity of the organisations) confirming H7. Although looking at the Figure 1 also reveals no support for hypotheses H1 and H2 thus they are rejected, it should be noted that *disjust* (Distributional justice) is positively related to *knowco* ( $P < 0,10$ ). H8 reflecting the relationship between knowledge donating and innovation capability is not supported.

## 6. Discussions and Conclusion

Conducting this research partly fills the gap identified by Wang and Noe (2010) regarding the link between organisational justice and knowledge sharing. It also helps to determine the factors that promote knowledge sharing in organisations. Current study also provides evidence for the relationship between knowledge sharing and innovation capability. Studying these concepts within a developing country context bring new insights into literatures under study.

The findings from this research revealed that while procedural and interactional justice have a positive effect on knowledge collecting and knowledge donating. Only one component of organisational justice, distributive justice has a relatively weak relationship with knowledge collecting but not with knowledge donating. H3, H4, H5, and H6 reflecting positive relationship between procedural justice, interactional justice and knowledge sharing process (knowledge sharing and knowledge donating) are supported. H1 indicating link between distributive justice and knowledge collecting is partially supported. However, H2 showing the relationship between distributive justice and knowledge donating is not supported. Current study provides insights regarding the factors that may promote and inhibit the knowledge sharing. As shown in this study, organisational justice perceptions of employees in organisations play crucial role in knowledge sharing. The findings of this study provide support for the previous theoretical and empirical studies in the literature (Demirel and Seçkin, 2011; Wei and Ting-Ting, 2009; Wang and Noe, 2010). Our result suggests that every method, approach and tool should be considered to improve the organisational justice climate, which in turn can play an important role in improving knowledge sharing. Organisational justice should be considered as an important concept in improving the knowledge sharing in organisations.

Another finding of this study is related to the link between knowledge sharing and innovation capability. The findings indicate that while knowledge collecting has a significant positive link with innovation capability, knowledge donating had no influence on innovation capability. Thus, results support H7 but not H8. The findings of this study conducted in a developing country support the previous theoretical and empirical studies in the literature (Darroch and McNaughton, 2002; Hansen, 1999; Jackson *et al.*, 2006; Jantunen, 2005; Wang and Noe, 2010; Zhi-hong *et al.*, 2008). This finding proves that knowledge sharing is invaluable source for organisational innovation. Therefore, companies looking for the ways to increase their innovative capabilities need to pay attention to knowledge sharing. Promoting knowledge-sharing culture in organisations is likely to lead to continuous innovation performance (Lin, 2007).

Like other studies, current study can not escape from some limitations. The sample of the study comes from the companies operating within district of Adana in Turkey. This constitutes barriers toward the generalizability of the current study findings. For this reason, future studies should include different sectors and more companies. Future research may also include other individual, organisational factors and mechanism to search their role on knowledge sharing and innovation capability. Researchers also took some measures to tackle common-method biases inherent in this type of research. Following Podsakoff *et al.*, (2003), researchers included information in the front page of the questionnaire regarding the confidentiality of their individual responses. In order reduce respondents' concern about being evaluated; we also assured the participants that there was no right or wrong answers to questions in the questionnaire.



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