

# The Effect of Team Knowledge Management Practices on Team Performance: The Moderating Effect of Transformational Leadership and Team Cohesiveness

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## Abstract

This study examines the relationship between Knowledge Management Practices (KMP) of teams and team performance under conditions of transformational leadership of team leaders and team cohesiveness of teams. A survey was conducted among 100 teams and data was collected from team members and team leaders of the respective teams in software development and BPO companies in Sri Lanka. A significant direct effect of KMP as a constellation of practices on team performance was found. However, only knowledge sharing practices were found to influence team performance as an individual KM practice. Further, transformational leadership and perceived team cohesiveness were found not to moderate the said direct relationship. The results of this research support the dynamic capability theory which would suggest that knowledge management practices will enable the achievement of sustainable competitive advantage. However, the findings related to moderating effects would suggest that the effect of KMP on team performance is likely to depend on the nature of task performed and the need for leadership. While the study shows the importance of taking KMP as a constellation of practices, it also implies a need for rethinking about organizing tasks to gain maximum benefits from KMP. This research contributes to knowledge management literature with an initial attempt to conceptualize KM at team level along with two team dynamics: transformational leadership and perceived team cohesiveness using the dynamic capability theory.

**Keywords:** Knowledge management practices (KMP), Team performance (TP), Transformational leadership (TL), Dynamic capability theory and Knowledge intensive industries.

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