

Knowledge Sharing Mediates the Relationship Between Budget Participation and Innovative Work Behavior

ABSTRACT

This study researches the role of knowledge sharing as a mediator between budget participation and innovative work behavior of budget preparers within Libyan public industrial companies. This research is modelled on organisational knowledge creation theory, where the theory of knowledge creation is employed to justify and explore the effect of budget participation on knowledge sharing, and then creation of new knowledge. Quantitative methods were applied to achieve the research purpose: a single questionnaire was developed and distributed to 480 personnel involved in budget preparation within Libyan public industrial companies, from which 210 completed questionnaires were analysed. The Structural Equation Modelling technique and SmartPLS software were employed to analyse the relevant data. The innovative behavior in the workplace of the budget participants was affected by their participation in the budget setting process: an indirect relationship being established through knowledge sharing, where results showed that there is an indirect relationship via knowledge sharing between budget participation and innovative work behavior. The study recommends exploiting the budgetary participation of staff as a means to enhance and develop knowledge sharing.