IOSR Journal of Business and Management (IOSR-JBM)
e-ISSN: 2278-487X, p-ISSN: 2319-7668. Volume 19, Issue 3. Ver. II (Mar. 2017), PP 123-132
www.iosrjournals.org

Top Management Team, Leadership Strategy, Knowledge Transfer and Performance: A Review of Literature

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Abstract: *Top management teams and knowledge are critical resources in an organisation performance, yet the issue of how the top management team and their leadership strategies affect knowledge transfer in organisations is under explored. This paper reviews literature on the triadic relationship of the top management team, their leadership strategies and knowledge transfer. The aim for carrying out the study was to review the extant theoretical and empirical literature on Top management team, leadership strategy and knowledge transfer, identify emerging theoretical and empirical gaps on the linkage between top management team, leadership strategies and knowledge transfer and to propose a conceptual framework. The study explores the link between the top management teams, leadership strategies and knowledge transfer and discusses four theories, namely upper echelons theory, trait theory of leadership, fielders contingency theory and resource based view of the firm, that are linked to the constructs under review. The study also identifies the knowledge gaps from theoretical and empirical literature. A conceptual framework and propositions on the top management teams, leadership strategy and knowledge transfer are proposed alongside areas for further research.*

Keywords: *Knowledge Transfer, Leadership strategy, Strategic decision making, Top management team (TMT), performance*

I. Introduction

The distinctive characteristic of strategic management is the focus on decision making. Complexity of organisations is increased by their expansion. The decision making process also becomes more complex and complicated. The strategies employed are developed at the corporate level, which consists of the senior executive charged with the ultimate responsibility for the firm. They are referred to as the top management team (TMT). Weihrich, Cannice and Koontz (2008) describe a team as "a small number of people with complementary skills who are committed to a common purpose, set of performance goals and approach for which they hold themselves mutually accountable." Carpenter and Fredrickson (2001), describe the top management team (TMT) as composed of the top tier executives of an organisation such the chief executive officers (CEO), Managing Directors, Executive Directors/Directors, and Presidents of Companies. The TMT is responsible for the entire organisation and for the translation of formulated policies into goals, objectives and/or strategies and create a shared vision of the organisation for the future. They are a team in the sense that they make most of the organisations decisions and formulate strategies collaboratively, (DuBrin, 2012).

Organisational performance is viewed as a reflection of its top management team, Hambrick (2007), that is, that the top management has the responsibility for organisational strategic choices and performance and this is partly predicted by the team's background characteristics, such as team diversity, education level, and tenure, experience of the members, demographics and personality traits. These characteristics influence their leadership strategies and preference (Hambrick, 2007). The top management team is an imperative strategic resource for the organisation. The stakeholders get a sense of mission set by the TMT as communicated specifically to them on what strategic vision needs to be achieved, Hunger and Wheelen (2011), therefore the enthusiasm of the top management team or lack of it is contagious. This means therefore that the embracing of strategies for successful implementation by stakeholders (employees) and outcome is hinged on the attitudes and leadership traits of the executives.

The common roles of managers of planning, organizing and control, they are also required to lead their workforce at every level of the business, whether at the functional or business level Hannagan (2002). Mahoney, Jerdee and Carrol (1965), Weihrich, Cannice and Koontz (2008), point out that the leading role occupies the bigger percentage of managers duties. Leading involves the energizing and motivation of people in an organisation as well as creating environments that allow employees to work well together, Finkelstein, Hambrick and Cannela (2009), McShane and Glinow (2015). Leaders inspire confidence and support amongst the individuals required to realize the objectives of the organisation, (DuBrin, 2012). The leader has the vision of what the organisation plans to become and elicits collaboration and team work from individuals and keeps key persons in that system driven by persuasion. According to DuBrin (2012), managers who have good leadership skills can lead a team to learn thus have improved productivity and morale. This ability is guided by the leader's personal traits and the type of power (Katzenbach, 1997) they possess in the organisation, Rothmaermel (2013). Rothmaermel explains that strategic leaders often use power to influence and direct activities of others in pursuit of goals. Power is exhibited over control of resources such as budgets, assets, information, positions and knowledge that is essential to the organization, (O'Connel & Cuthbertson, 2009).

According to DuBrin (2012), leaders shift leadership strategies with the situation the organisation finds itself from time to time. This is referred to as situational leadership; Situation leadership was proponed by Hersey Blanchard in their Situational Leadership Model. According to the Hersey Blanchard Situational Leadership Model, leaders match abilities of the team to responsibilities. The managers are also trained to custom leadership strategies to the need of the situation, Finkelstein, Hambrick and Cannela (2009), while aligning the competencies of the team, the leaders adapt the team's behavior and level of commitment and capabilities, Pearce and Manz (2005). Leaders therefore create environments that create knowledge sharing through shared leadership (McShane & Glinow, 2015). Leadership is not a position but a role; it doesn't belong to just one individual but also to other members of the organisation. McShane and Glinow (2015), advance that shared leadership in organisations depends upon the members pursuing opportunities and resolutions rather than relying on formal leaders to do so. Combining individuals abilities and energies with resources leads to more achievement than when individuals work alone (Hannagan, 2002).

Organisations resources and competences provide competitive advantage and yields new opportunities, (Thompson, Strickland & Gamble 2008). Knowledge is a critical resource for productivity and the core of management and the ability to transfer knowledge effectively within an organisation increases its survival chances (Argote, Ingram, Levin and Moreland, 2016). Nonaka (2008) wrote that Japanese companies are successful because of the way they think about knowledge and its function in business organisations. The success is based on the unique approach to the management and creation of new knowledge, (Nonaka, 2008). New knowledge always begins with an individual then the knowledge is transferred into the organisation.

Knowledge transferability also known as objective knowledge is the nature of knowledge that can be transferred from one individual to another while avoiding external transfer to competitors (Argote et al, 2016). This can be done through various forms such as audio visual or written communication as in the case of explicit knowledge, Hill and Jones (2004), Nonaka (2008), Scholes and Whittington, (2009). Tacit knowledge on the other hand is the knowledge that is ingrained in a person and is difficult to be codified or transmitted through formal methods (Brockmann & Anthony, 2002).

Thompson, Strickland and Gamble (2008) refer to the transferability of knowledge as knowledge diffusion. It's the distribution of knowledge to others in the organisation not only through repositories, but also through formal and informal structures of learning like observation, experience, training, coaching and mentoring. The organisations structure, culture and practices and nature of leadership influence the ease of knowledge transfer amongst coworkers. Andriopolos and Dawson (2011) posit that knowledge should not be seen as a resource only to be acquired and stored, but as a resource to be utilized in the creation of something new. Learning organisations, (Hannagan, 2002) that is, the ability of organisations to acquire, share, employ and store valuable knowledge override those with physical resources, because use of knowledge skills and abilities and even recognizing when and where to use these knowledge on physical resources places the firm above others in the same competitive environment (McShane & Glinow, 2015).

There is considerable literature on the responsibilities of the top management team and their roles in the formation of competitive advantage to the firm. Further literature supports the function of managers at all levels and the expectation to continually scan the environment so as to create or modify strategies, thus obtain strategic flexibility, Hannigan (2002), Johnson, Scholes and Whittington (2008). Hambrick (2007) explores the relationship of the top management team character traits (Hambrick, 2007) and on the structure on the TMT on information processing and interpretation of strategic issues, (Thomas, 1990) and how these factors affect either the team cohesion or their leadership skills and cohesion in the team, (Chatterjee & Hambrick, 2007). In addition, Graen and Uhl-Bien (1995) explore the relationship between the strategies being successful and people and state that success is concerned with behavior as much as competencies.

In spite of vast attention to the topic of top management teams, there is little mention explicitly on the triatic relationship of the top management teams, their leadership strategies and knowledge transfer. Hambrick and Mason (1984) developed a theory of the Upper Echelons perspective, that is, organisational strategic choices and performance is the responsibility of the top management. There an assumption that role top management teams to not only plan, organize and control, but to also offer strategic leadership and create environments that allow employees to work well together, (McShane & Glinow, 2015), but little research exists on the specific traits the top management teams should possess so as to enable transfer of knowledge within the organisation. Leaders who encourage organisation knowledge sharing enable their human capital to acquire, share, use and store valuable knowledge that gives the organisation competitive advantage, (McShane & Glinow, 2015), Since leadership is about influencing, inspiring and empowering contributions to the success of firms, leaders utilize their employees to acquire competitive advantage as they possess knowledge, skills and abilities that generate value when utilized and shared in the organisation. Leaders therefore create environments that create knowledge sharing through shared leadership (McShane &Glinow, 2015), but top management teams may lack direction on how their actions enable or hamper learning, (Vera & Crossan, 2004).

To address this gap, the study focuses on existing theoretical and empirical literature to show the theoretical connection of the top management team and the mediating factor of leadership strategies on knowledge transfer. The study also includes empirical contributions on the study of the top management team or executives and their involvement in leadership and knowledge transfer in organisations. This focus is consistent with Johnson, Scholes & Whittington (2009) and Nonaka (2008) that the knowledge and experience of people can be the enabling factor in the success of strategies. Additionally, that, knowledge and its role in organisations, and how it is managed will determine the creation of new knowledge for the achievement of the organisations strategies.

The objectives of the study were: to review the extant theoretical literature on top management team, leadership strategy and knowledge transfer; to review the extant of empirical literature on top management team, leadership strategy and knowledge transfer; to identify emerging theoretical and empirical gaps on the linkage between top management team, leadership strategies and knowledge transfer; and to propose a conceptual framework for linking top management team, leadership strategies and knowledge transfer.

II. Literature Review

2.1 Theoretical review

Proposed by Donald Hambrick and Phyllis Mason in 1984, the upper echelons theory principle posit that top management executives view their situations through their own greatly personalized lenses that arise from their individual experiences, values, personalities and traits, among other human factors, (Rothaermel 2013). This affects their strategic individualized analysis of strategic situations therefore, organisations are reflections of its senior executives. Experience allows the top management team to learn from their past experiences and those of others in organisations, Brown and Posner (2001), George and Jones (2008). Brown and Posner argue that managers increase their learning from others in the work place and become better leaders. For the top management to actually apply their personalities in the analysis of strategic situations, the organisation should enable an environment of discretion, (Hambrick, 2007).

Where managerial discretion is present, then the upper echelon theory gives adequate direct proportionate predictions of the organisations outcomes in relation to the managerial discretion (Hambrick, 2007). Besides an environment that allows discretion, the upper echelons theory operates where the perception of the executive is considered. According to Rothaermel (2013), when executives are given power and compensation, they aspire to be more effective strategic leaders. He states that strong leadership results from intrinsic abilities and learning and is shaped further by the executive's personal circumstances, values and experience. The upper echelons theory uses the personal and human traits that affect decision making and strategic choices therefore biases associated with these characteristics is a high possibility. Top executives with long tenures for example, may find it difficult to adapt to change and embrace innovation causing the executives to be obsolete, Henderson, Miller and Hambrick (2006).

The trait theory of leadership was first theorised by Gordon Allport in 1936. He was among the pioneers of formal personality psychology, and is considered a trait theorist. Allport theorized that there is a central trait that is dominant in individuals which is used to as a defining trait of a person. He called this the cardinal trait, which are rare but is the defining trait of a person. Other theorists who have advanced Gordon Allport trait theory include Cattell (1976), Esysenck (1991). The trait theory assumes that leadership capabilities are entrenched in characteristics of individuals, implying that leaders are born not made and that they inherit certain traits that separate them from their peers, (Sagimo 2002).

The theory links positive relationships between effective leadership and personality traits such as intellect, sociability, diligence and self-efficacy and that individuals emerge as leaders through various situations and responsibilities. According to DuBrin (2012), managers who have good leadership skills can lead a team to learn thus have improved productivity and morale (Rothaermel, 2013). This ability is guided by the leader's personal traits. The traits theory is found lacking because the traits a successful leader possesses may not be adequate enough for successful leadership in all situations. This is because, according to Chatterjee and Hambrick (2007) there are other factors such as group characteristics among other factors that the leader may not control and these factors often prevail over idiosyncratic executives' choices in their effects on organizational outcomes. People and situations are of importance because people and situations interplay with each other to determine behavior, and people behave in similar ways in different circumstances (Arnold et al, 2005). The trait theory is further criticized as being too narrow and individual centered in defining the leader, (Sagimo, 2002).

Fred Fielder, a proponent of the contingency theory arose in the 1960's (Hatch, 2006) and further advanced by himself and Joe Garcia in 1987 argues that a group performance is a contribution of a leader's strategy and other situational factors. The theory proposes that organisation effectiveness is dependent on the adequate mix of leadership strategy and situational demands (Allison, Armstrong & Hayes, 2001). Fiedler reflects that situations determine the degree leaders can control what the group is going to do as the principal contingency feature in effectiveness of leader behavior determination. This theory looks at the personal traits and drive of the leader that interact with a situation that the group faces at a time (Sagimo 2002). The theory does not attribute effectiveness of leaders to personality characteristics alone, Forsyth et al, (2006), but also to other situational factors that the firm and in turn leaders face.

In identifying the leadership strategy, Fielder constructed a scale known as the Least Preferred Co-worker scale that measured leader's orientation, George and Jones (2008). The scale measures the perception of the leader on the people who he has worked least well with and scores are allocated. Where the LPC score is high, it shows that the possession of human relations orientation of leader while a low LPC shows a task orientation (Sagimo 2002). This however, is not an objective method of measuring leadership effectiveness as it's based on perceptions (Forsyth et al, 2006). Fielder further described the leader on his ability to control the group situation because leaders should be able to control groups, so should possess the following three components: position power, leader to member relations and task structure, Miner (2005), Forsyth et al (2006).
According to Miner (2005), the leader position power, is the power attributed to the leader's status. Those in upper positions of power are capable of resource distribution among members unlike those in lower positions who do not control resources therefore lack situational control. When these three components are high, the situation is favourable and vice versa. However, in favourable or unfavourable situations, the low LPC leaders are more effective while high LPC leaders accomplish best in situations with intermediate favourability (Miner, 2005). Leader-Member Relations refers to the extent of mutual trust (Allinson, Armstrong & Hayes (2001), respect and confidence shared by leader and subordinates. Task structure on the other hand, is the degree that the team tasks are clear and well formulated. It relies on unambiguity of task instructions, concise methods and techniques for task performance to completion (O'Connel and Cuthbertson, 2009).

This theory is criticized to be inflexible as it implies that the only alternative divergence of leader orientation and an unfavorable situation is changing the leader. The theory also gauges the effectiveness of leaders based on their relations and traits with the situations but does not look into the cognitive capabilities and skills of the leaders such as environmental contingencies (McShane & VonGlinow (2015). It is also criticized that LPC scale validity as it does not correlate well with other standard leadership measures and not open to use in teams. Further dispute arises on the LPC scoring. Arnold et al (2005), state that the stability of the LPC is doubted because it very dependent on how undesirable the leaders least preferred co-worker really is therefore could be saying more of the subordinate (worker) than the leader.

According to the resource-based view (RBV), competitiveness of firms is determined by combinations of inimitable resources it enjoys and the theory can be used to appraise the competitiveness of diverse strategic choices organisations face (Barney, 2001). Each organisation is unique in terms of its resources. According to Barney (1991), firms are bundles of productive resources encompassing assets, capabilities, organizational processes, firm attributes, information and knowledge that a firm controls that enables it to formulate and implement strategies that improve its efficiency and effectiveness. According to RBV, the competitive advantage of a firm can be explained by differences in firm resources. These are the skills and technologies that enable an organisation to provide particular benefit and one way of generating opportunities is placing them in hierarchy of a combination of knowledge and skills (Hannagan, 2012). There have been many contributors to this theory but the notable ones are Penrose (1959), considered to the pioneer to the RBV theory, Teece (1980), Lippman and Rumelt (1982) and Barney (1986). Proposers of this theory argue that endowment of strategic resources that are valuable, rare, and costly to imitate and substitute gives a firm advantage (Amit & Shoemaker, 1993). It is the ability of the organisation to acquire rare and valued resources and effectively incorporate and manage them.

A subsequent distinction, made by Amit and Schoemaker (1993), is that resources can be separated into resources and capabilities. Resources are easily transferable, fluid and not specific to the firm, while capabilities are firm-specific and are used to engage the resources within the firm, such as implicit processes to transfer knowledge within the firm (Makadok, 2001, Hoopes, Madsen & Walker, 2003). The intangible resources are commonly in the form of tacit knowledge (Makhija, 2003). Barney (1991) conceptualises resources as all the organisational assets, processes, capabilities, characteristics, knowledge and information that is controlled by an organisation. Organisations capabilities are a summation of its structure, processes and systems of control.

The RBV is however criticised for not appearing to meet the empirical content criterion required of theoretical systems, Priem & Butler (2001), Kraaijenbrink, Spender & Groen (2010), that many different resource combinations can give the same value to organisations thus not sources of competitive advantage (Priem and Butler, 2001). Kraaijenbrink, Spender & Groen (2010), argue that firms may have a reasonably unique range of operations which may not compete in identical markets therefore a challenge in defining firm's competitors. The theory is also limited because of its premise that a firm`s range of valuable, rare inimitable and non-substitutable (VRIN) resources warrants organisational success, but the appraisal of these capabilities is highly subjective (Grant, 1991).

2.2 Empirical review

Hambrick and Mason carried out a study on the Upper Echelons (Hambrick 2007). The study focused on the upper echelons perspective with emphasis on dominant coalition of the organisation, in particular its top managers. They argued that the organisational outcomes, both the strategies and effectiveness, are viewed as an outcome of the values and cognitive bases of the most powerful actors in organisation. The authors emphasized on observable managerial characteristics as indicators of the principles that managers bring into organisational administration, such as age, tenure, education and socio-economic backgrounds and they developed an upper echelons perspective model which protracted primary relationships of the top management team and links the TMT characteristics to strategic choices and organisational performance.

Finkelstein (1992), sought to determine the phenomenon of power of top managers in strategic decision making by arguing that managerial authority is central in strategic choice, conceptualize major power sources in dominant coalitions and suggest and validate specific measures of power. The writer suggests that an upper-echelons theory should be extended to encompass the idea that managerial power influences the relationship between top managers and organisational outcomes. The ability of top managers to affect firm strategy depends to a great extent on whether they have the requisite power to be influential. Secondly, consideration of both a firm's CEO and the rest of its dominant coalition (executives) in evaluating if and how top managers affect organisational outcomes should be considered by researchers as focus is only the CEO implies power is only at the top.

Athanassiou and Nigh (1990) (building on the Upper Echelons Theory by Hambrick and Mason) studied on the impact of U.S. Company Internationalisation on Top Management Team Advice Networks, from a tacit knowledge perspective. Their purpose was to examine the effect of internationalization on top management team character in particular, the interaction among members of the TMT of multinational corporations seeking advice concerning international business. The authors argue that little is known about how TMT go about their tasks and how they engage immediate subordinates, and how they engage in fundamental processes of problem sensing, decision making, learning and change. The authors established that international strategy shapes the TMT traits. The TMT character is affected by the firm’s level of internationalization and the more the concentration of advice network formed among the TMT to exchange information and share their tacit knowledge in international business. Further, the TMT increases the intensity of sharing tacit knowledge as the MNC becomes more globally internationalized.

Kauer, Waldeck and Scha¨ffer (2007) explored the effects of diversity of experience and different personalities of top management team members on mediating processes such as agenda setting, strategic alternatives generation, and speed of making strategic decisions. They explored the effects of team variables by measuring team members’ personalities and experiences. The authors say that diversity of experience affects agenda setting and the generating of alternatives but appears not to have an effect on the decision making speed. Personality factors such as flexibility, achievement motivation, networking abilities, and action orientation seem to have a clearer impact on decision speed. To build successful teams, there should be a demarcation between the effects of experiences and personalities of team members. Teams might be able to compensate for different strengths and weaknesses within the team, thus the importance of transparent strategic objectives and leadership. The study is however silent on leadership strategies and knowledge transfer.

In a study to examine the role of the CEO in facilitating top management behavioural integration and potency hence enhancing firm performance Carmeli, Shaubroeck and Tishler (2011), found that empowering employees produces better outcomes and the improvement of team processes strengthen the empowerment-performance relationship. They argue that knowledge sharing influences empowerment of teams and its capacity to cope with complex issues. Further, it is important that leaders empower top management team to participate and take control over decision making processes. The top management team behavioural integration is linked to higher quality strategic decisions and strategic ambidexterity. When the CEO facilitates TMT interaction, they become more confident that organisational objectives can be achieved successfully. By exchanging valuable information, collaborations and making decisions jointly, the top management team members are exposed to various views and are better enabled to make sense if complex information which further fosters confidence that the organisations objectives are successfully attainable. To effectively cope with environmental uncertainty, the TMT must collectively belief that they have the requisite potential to complete complex, challenging tasks on a collaborative basis.

Vera and Crossan (2004) developed a theoretical model of the impact a CEO and top manager leadership strategies and practices on organisational learning. They integrate strategic leadership and organisation learning specifically to address impact of transformational and transactional leadership strategies on learning and link between strategic leadership and organisational learning. The authors argue that in times of change times of change transformational leadership is suitable while when there is stability, transactional leaders come into play, where organisational learning processes serve to refresh, reinforce, and refine current learning. However, since organisations face both challenges and stability, the leaders should possess transactional and transformational behaviours which also have different roles in the processes of exploration (feed-forward learning) and exploitation (feedback learning). The authors make propositions on strategic leadership, based on need for combined leadership strategy, strategic leadership and learning flows (both feed forward and feedback), learning stocks and organisational repositories of learning and also on contingency issues based on environments both turbulent and stable, prior firm performance and stage of organisational life.

Xue, Bradley and Liang (2010) examined the impact of team related factors on individual attitudes and knowledge sharing behaviours. Their study integrated two perspectives of social environment of the team and the values of the team leader, which are complimentary in cultivating individual's knowledge sharing attitudes and behaviours. They argue that in order to enhance knowledge sharing, managers need to nurture team environment. They need to create a climate to help members develop positive attitudes favourable for knowledge sharing. In addition, empowering leadership skills should be stressed when selecting or evaluating leaders of teams. Training programs can be given to ensure the team leaders are provided with skills to identify their weaknesses and develop skills that they lack.

Mitchel, Boyle, Parker, Giles, Joyce and Chiang (2014), discuss that team cognition reflect the organisation and utilization of knowledge that is distributed within the team guide intra team interactions. They propose that a team's motivation to collaborate across professionals boundaries and openness to diversity reflects the members regarding their approach to collaboration and knowledge usage. Team dynamics interact with an affective emergent state to determine the achievement of team objectives. Leadership increases the effectiveness of inter professional teams. Transformational leadership facilities the development of a strong drive to work across professional boundaries, is capable of reducing negative diversity variables in teams and can be key in facilitating inter professional team work. Strategy formulation should start with competent people who are constantly improving themselves, Sveiby (2001).

Peter, Sun and Anderson (2011) discuss the need for top and middle management to be ambidextrous. The study considered top and middle management and how their leadership strategies vary as they seek to influence the three learning processes of absorptive capacity, that is, exploratory, transformative and exploitative learning processes. The authors found that absorptive capacity is similar to the feed-forward and feedback learning processes of an organisation and leadership influence on the three learning processes is a collective influence. Neither the top nor middle management used either an exclusively transformational or transactional strategy. Strategies varied as a function of the type of learning being addressed. In the exploratory learning process, top management's transformational strategy was exercised across a broad spectrum of individuals and reached across most levels in the hierarchy. Middle management's transformational strategy was more narrowly focused towards certain individuals in the exploratory learning process stage. In the transformative learning process the top management leadership strategy was transformational in this learning process, the leadership strategy of middle managers changed from transformational to transactional. Top management's leadership strategy was transactional in the exploitative learning process stage; the middle management's leadership strategy remained transactional.

Three propositions were then built by the authors. Firstly, the exploratory learning process is facilitated when both top management and middle management use a transformational leadership strategy. Secondly, the transformative learning process is facilitated when top management exercises transformational leadership strategy complemented with a transactional strategy by middle management and thirdly, the exploitative learning process is facilitated when both top and middle management use transactional leadership strategies. Lee, Gillespie, Mann and Wearing (2010), observe that team leaders who facilitate knowledge sharing and stimulate trust contribute to team effectiveness. Trust in the team is a better predictor of team knowledge sharing than trust in the leader. Leaders can enhance team knowledge sharing by focusing on building team members' trust in each other as a collective team. When team members share knowledge, they are able to meet project goals, achieve quality, meet customers' expectations and achieve efficiency.

2.3 Theoretical Framework

Based on the review of extant literature and empirical studies on the subject of top management team, leadership strategies and knowledge transfer, the theoretical framework shows a direct causal relationship between top management team and performance. The environment is a moderating variable that affects the relationship between the top management team and performance. It encompasses both the internal environment (culture, team cohesion) and the external environment.

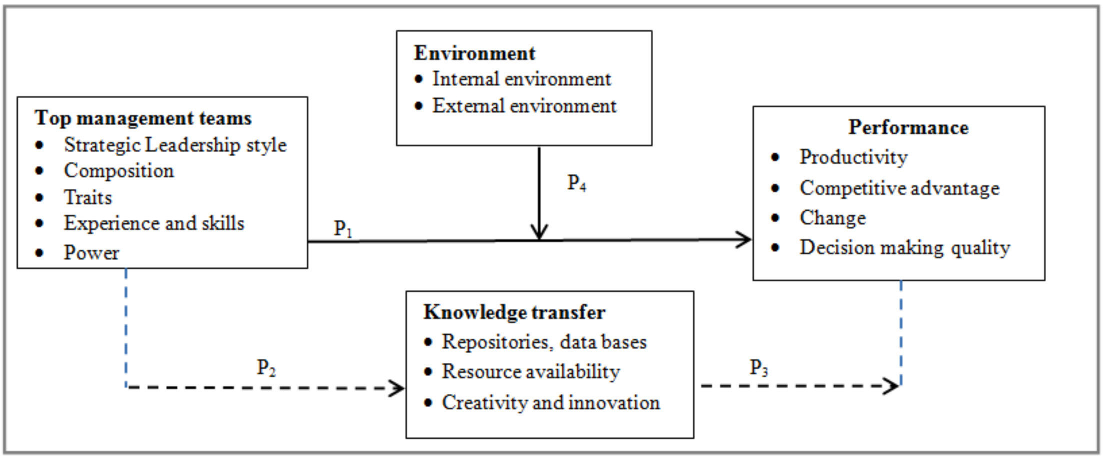

Figure 1. Theoretical framework

Source: Author, 2016

2.3.1 Top Management Team and Performance.

Weihrich, Cannice and Koontz (2008) describe a team as "a small number of people with complementary skills who are committed to a common purpose, set of performance goals and approach for which they hold themselves mutually accountable". Carpenter and Fredrickson, (2001), refer to the top management team (TMT) as made up of the top tier executives of an organisation such the chief executive officers (CEO), Managing Directors, Executive Directors/Directors, and Presidents of Companies. The executives are a team in the sense that they make most of the organisations decisions and formulate strategies collaboratively, (DuBrin, 2012). The Upper Echelons theory developed Hambrick and Mason, 1984, outline that the organisation is a reflection of its top management team who are charged with the responsibility of the organisational strategic choices and performance and this is partly predicted by the team's background characteristics, such as team diversity, education level, tenure, and experience of the members, demographics and personality traits. They lead the organisation to the goals and strategies formulated and create a shared vision of the organisation for the future.

In order to lead the firm members, the leaders ought to know how to handle subordinates for the success of the organisation. The impact of leadership encompasses the entire organisation. According to DuBrin (2012), Managers who have good leadership skills can lead a team to learn thus have improved productivity and morale. This ability is guided by the leader's personal traits and the type of power they possess in the organisation. The top management team cannot separate leadership from their role. In view of the authoritative arguments given in both empirical and theoretical literature in relation to TMT and performance, it is prudent to conclude that the top management team affects the level of organisation performance directly, hence, the paper proposes that:

Proposition 1: The top management team articulated with leadership strategies contributes to performance

2.3.2 Role of Knowledge transfer

A leader is not all knowing therefore the critical value of knowledge transfer within the team, from the leader to the subordinates is important. Matching people to tasks and strategies is not enough to enable success of strategies. Knowledge transferability also known as objective knowledge is the nature of knowledge that can be transferred from one individual to another, or between firms. Productivity is enhanced where the firms are adaptive and innovative thus making the organisations transformation process more responsive to changing environmental conditions. Leaders encourage organisation knowledge sharing enable their human capital to acquire, share, use and store valuable knowledge that gives the organisation competitive advantage, (McShane & Glinow, 2015). Leaders should create high-quality relationships with as many subordinates as possible and have many subordinates in the in-group and fewer in the outgroup as possible. Hannagan (2002) notes that a learning organisation has the ability to get, share, consume and store valuable knowledge override those with physical resources, because use of knowledge skills and abilities and even recognizing when and where to use these knowledge on physical resources places the firm above others in the same competitive environment, (McShane & Glinow, 2015). Knowledge transfer is enabled though the firms capability to store, retrieve and use the knowledge, not only in repositories, but also tacit knowledge that is ingrained in the workforce of the organisation. For this to transpire, an environment of team cohesion and also dyadic relationships between the superiors and the subordinates is important. This paper therefore proposes that:

Proposition 2: Knowledge transfer is enhanced by a dyadic relationship between the top management team and the subordinates.

2.3.3 Role of knowledge transfer on performance

Organisations resources are assessed in terms of how valuable, unique, and inimitable they are. The immaterial assets are commonly in the form of tacit knowledge (Makhija, 2003). Competences are a firms capabilities to organise its abilities and employ them to productive use. These abilities are in an organisations routines, procedures and rules which are the manner that an organisation manages its internal capabilities and decision processes for organisational goals. Barney (1991) conceptualises that resources as all the organisational assets, processes, capabilities, characteristics, knowledge and information that is controlled by an organisation. An organisations capabilities are a summation of its structure, processes and systems of control. These outline decision making teams, behaviours rewarded by the firm, culture and values of the organisation, that lead to its superior performance above their competitors. It is the discretion of the organisation to acquire rare and valued resources and effectively incorporate and manage them.

Andriopolos and Dawson (2011) posit that knowledge should not be seen as a resource only to be acquired and stored, but as a resource to be utilized in the creation of something new. It is therefore important to transfer knowledge held to avoid retention of it to the extent that it is not useful to the organisation and since resources are easily transferable, fluid and not specific to the firm, while capabilities, such as knowledge are specific to firms and used to engage other resources in the firm, it is vital knowledge is exploited, thus this paper proposes that:

P3: Even though Knowledge transfer leads to performance, the exploitation of the knowledge is important for performance

2.3.4 The role of the environment

Interaction of individuals in organisations does not only create knowledge, but also enhances the sharing of the same. Creating an environment where individuals strive to achieve success is crucial to a manager therefore leadership skills on motivating people are crucial. Hensley and Blanchard propagate that a leader who acts as a mentor to a protégé through coaching, tutoring or shadowing usually becomes a better leader. Nonaka (2008), writing on aspect of success of Japanese companies, says that their success is based on the unique approach to the management and creation of new knowledge. New knowledge always begins with an individual then the knowledge is transferred into the organisation. Boateng, Dzandu and Tang (2016) investigated the effects of organisational culture and transformative leadership strategy on knowledge sharing. They found that team-oriented culture encourages individuals to share their past experiences and create opportunities for them to learn from each other. In interacting with the external environment on knowledge acquisition, McShane & Glinow (2015) state that the quickest way to obtain knowledge in an organisation is by hiring persons or acquiring companies with the desired knowledge. However, the organisations structure, culture and practices and nature of leadership influence the ease of knowledge diffusion/sharing amongst coworkers, and ultimately affecting the performance of the organisation, through the embracing of change and innovation. For that reason, the paper proposes that:

Proposition 4: Top management team may influence firm performance but the strength of the influence is dependent on the environment of the organisation

III. Conclusions and Recommendations

The purpose of this paper was to review both theoretical and empirical literature on the connection between top management team, strategic leadership and knowledge transfer. The paper sought to identify emerging theoretical and empirical gaps on the linkage between top management team, strategic leadership and knowledge transfer. The extant literature reviewed indicates that the top management team is charged with responsibility of leading the organisation for attainment of organisational strategic goals and ultimately the organisation's performance. Their traits and characteristics influence their leadership strategies and decision making. The leadership strategies influence the organization culture and environment that enhances or inhibits the transfer of knowledge. Innovation and creativity stems from both tacit and explicit knowledge. Knowledge as a resource which should also be valuable, rare, non-substitutable and organised not only for the development of competitive advantage but to enhance organizational performance. The transfer of knowledge in the organization is important to ensure the competitive advantage and performance of the organization is sustained in the long term.

Furthermore, the reviewed literature supports that the top management team support knowledge transfer through their leadership strategies and styles. In very dynamic environments, the transformational leadership is suitable while when there is stability, transactional leaders come into play. Strategic leaders use times of stability to ensure that organization refreshes, reinforces and refines current learning. However, since organisations face both challenges and stability, the leaders should possess transactional and transformational behaviours. In addition, the top management team, being responsible for the organisations physical resources, they have the power and authority to allocate these resources based on their perceptions and traits. They unconsciously divide their subordinates into in groups and out groups and treat them differently. The in-group will enjoy more trainings, close mentoring and guidance from the leaders.

This paper reveals some research gaps because some authors assume that knowledge transfer is moves from the leaders to the subordinates and that the leader possesses the higher degree of knowledge. Further, majority of the literature study the composition of the top management team and their influence on the decision making processes and outcomes or the power of a member of the top management team on decision making outcomes and organisations performance. More research should be carried out on the subordinate roles in knowledge transfer and innovation since the top management team is not all knowing. The transfer of tacit knowledge and whether and how it can be tapped and shared should be further explored. The reviewed literature also argue that acquisitions and mergers also enhance knowledge transfer, but further research ought to be carried out to establish which unique features from merging firms and gained or lost and their impact on the transfer of knowledge since it is assumed that the smaller organization benefits more from the bigger organization that acquires it. More research on the effect of the organisation environment and its influence of the exchange and transfer of knowledge between top management team and their subordinates may be further explored as well as establishing empirical methods of measuring leadership.

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