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THE ROLE OF LEADERSHIP STYLES AND ORGANIZATIONAL LEARNING CAPABILITY ON FIRM PERFORMANCE

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ABSTRACT

Learning new and relevant knowledge and utilize it for achieving superior performance is vital for organizations in continuously increased uncertainty, volatile and turbulent environmental conditions. Researchers, on the one hand are currently investigating the relationship between organizational learning capability and performance, on the other hand are investigating which leadership style which would be more appropriate for achieving and sustaining this capability. In this context, we investigate the relationship of leadership style, organizational learning capability and firm performance. Based on the analysis of 207 firms in Turkey, we found that: 1) Leadership styles (participative, supportive and instrumental) influence organizational learning capability, 2) Participative leadership affects firm performance.

***Keywords**: Leadership styles, organizational learning capability, firm performance*

INTRODUCTION

Economic and social development which has begun with the industrial revolution have triggered the production and consumption and a large number of new firms were established to meet the increasing demand (Gimpel, 1977), which has led to an increase in scientific researches on organizations. Researchers, trying to investigate the best organizational structure providing efficiency and effectiveness, have tried to find an answer to the question of "what is the most appropriate leadership style for the organizations to achieve their objectives" (Tannenbaum and Schmidt, 1973). In particular, the researches and experiments carried out in the Neoclassical Period can be seen as the beginning of scientific studies in this area. Studies on leadership and leadership style from that period have lasted until today, still continue and seems to be continued. From this point of view, a lot of different definitions have been made on leadership that has a rich literature; different leadership styles have been developed such as authoritarian, democratic, participative, transactional, charismatic, transformational and it has been studied on what kind of traits these leaders should have (Bass, 1990a; Sagie, 1997; Yukl, 1999; Sagie et al., 2002). This concern is not only limited to literature, but also has a wide range of practice. Because leadership requires to bring all resources of organization together accordingly (particularly human resources), create the necessary conditions that will ensure progress for these resources in an aim and vision and thus ensure organizational success (Caudell, 1994; Burke et al., 2006; Oke et al., 2009). Therefore, leadership, providing direct and indirect outcomes and outputs, is closely related to the success of the organization. The relationship between leadership and performance is supported with academic researches carried out in this field and is expressed that the correct leadership style can improve organizational performance (Northouse, 1997; Antonakis and House, 2004).

One of the most important factors to achieve organizational performance is the knowledge that organizations have. According to resource-based view, the most valuable assets owned by an organization are invisible sources rather than visible ones. Therefore, knowledge resources are among the most valuable assets of the organizations (Barney, 1991). Especially today, increasing competition, environmental uncertainty, volatile and turbulent conditions increase the need for knowledge of the organizations drastically (Nonaka, 1995). The most effective way of acquiring the needed knowledge is to have the organizational structure, mechanisms and processes which provide learning. Because organizations, having learning orientation and

capability, can use the knowledge that they obtained from internal and external sources directly and indirectly to achieve organizational success and become more adaptive to volatile environmental conditions (Senge, 1990). For instance, acquired new and related knowledge can drive the organization forward when compared to its rivalries and transform it directly to the result to gain competitive advantage and superiority (Calantone et al., 2002). However, this knowledge can also be utilized to contribute performance indirectly by using any factor such as innovation which affects performance (Aragon-Correa et al, 2007). In other words, as organizations have new and related knowledge and utilize this after transforming in the direction of their aims, they will be more successful. The relationship between organizational learning capability and performance is expressed clearly and precisely in academic studies and it is proposed to create the organizational mechanisms, culture and climate that enable learning to achieve organizational performance (Senge, 1990; Huber, 1991; Jimenez-Jimenez and Sanz-Valle, 2011; Garcia-Morales et al., 2012).

Leadership styles and organizational learning capability ensuring impact organizational performance is the main subject of this study. Based on the explanations above, this study investigates the relationship between leadership style and organizational learning capability, leadership style and firm performance, organizational learning capability and firm performance. Although there is a wide range of studies on the relationship of leadership, organizational learning capability and performance, the relationship of these two concepts with performance that is limited in terms of literature has been discussed with its different sub-dimensions in this study. For example, recent studies have focused on the charismatic and transformational leadership style. However, this study considers participative, supportive and instrumental leadership styles discussed by Ogbonna and Harris (2000) and examines the effect of these styles on learning capability and performance. Similarly, instead of the dimensions that are used widely in the literature, we considered sub-dimensions of organizational learning capability developed by Jerez-Gomez et al., (2005) as a multidimensional perspective. In this context, organizational learning capability has four sub-dimensions: managerial commitment, system perspective, openness and experience and knowledge transfer and integration. The relationship of these dimensions of organizational learning capability with performance is another subject taken into consideration in this study.

In the following sections, a brief review of the literature on leadership, leadership styles and organizational learning capability, hypothesis development and the details of the empirical research are presented. The last sections include conclusion, managerial implications, further researches and limitations.

LITERATURE REVIEW

Leadership and leadership styles

In order to understand leadership and determine the best leadership pattern, numerous studies have been carried out and different theories have been developed by academicians. The trait theory, the first theory of leadership, claims that successful leaders are born and have innate exact abilities, qualifications and characteristics that distinguish themselves from others (Caudell, 1994; Ogbonna and Harris, 2000). But after the development of the different scientific disciplines such as anthropology, sociology, psychology and emergence of contingency theory, the focus has shifted to the behavior and style of the leader and situational factors. For example, in their Harvard Business Review article, “How to Choose A Leadership Pattern”, Tannenbaum and Schmidt (1973) explain that there are certain factors that determine the leadership style: Forces in the manager (their value system, their confidence in subordinates, their own leadership inclinations, their feelings of security in an uncertain situation), forces in the subordinates (motivational factors) and forces in the situation (types of organization, group effectiveness, the problem itself, the pressure of time). Similarly, Fiedler (1967) determines power, task structure and human relationship as three critical dimension of the leadership and identifies a successful leader who recognizes and understands the situation and situational factors and exhibits the best behavior styles for these factors.

With the development of leadership theories, various definitions have been made on what leadership is. Generally, the common points of this definitions are creating a vision, establishing relation with subordinates in the framework of this created vision, directing them by affecting this relationship, providing motivation, noticing situational factors and developing effective behavior style for these factors (Fiedler, 1967; Tannenbaum and Schmidt, 1973; Caudell, 1994; Sagie, 1997; Berson et al., 2006; Oke et al. 2009). From this aspect, leaders have a wide range of role and style from being inspirational to motivational and visionary

(Oke et al., 2009). The most important conclusion to be drawn from this definition and description, leadership is closely related to reaching goals and so achieving organizational performance.

Recent studies on leadership have focused mostly on charismatic and transformational paradigms (Bass, 1990a; Yukl, 1999). But in this study, we consider participative, supportive and instrumental leadership styles discussed by Ogbonna and Harris (2000) and examines the effect of these styles on learning capability and performance. Participative leadership is a leadership style that participates subordinates to the decision-making process to achieve a specific goal or task, asks and provides their contribution, creates necessary communication channels and keeps them permanently open to ensure this participation and so allows them to influence the process with the leader (Ogbonna and Harris, 2000; Sagie et al., 2002; 1997; Somech, 2006). Supportive leadership is a leadership style in which the leader gives value to the subordinates, respects their ideas, thoughts and needs and exhibits an supportive attitude for their efforts (Yukl, 1999; Ogbonna and Harris, 2000). In addition, this style needs the empathy of the leader to understand subordinates and the conditions that they have. Instrumental leadership is defined as a leadership style that determines the leader's expectations, goals, tasks and what the required skills, qualifications and roles are and prepares the necessary conditions to maximize the output (Bass, 1990a; Antonakis and House, 2004). In this style, leader has a major role for determining and defining the processes to be able to reach the goals. Instrumental leaders facilitate the work of subordinates to achieve the performance, interferes the performance problems and uses the reward mechanism to get desired performance results (Oke et al., 2009).

Organizational learning capability

Organizations have the learning capability and they can adapt to changing environmental conditions through learning, as human being do (Liao et al., 2008). This relationship is developed within the framework of individual-organization relationship and organizational learning processes are tried to be developed considering the individual learning process (Jerez-Gomez et al, 2005). Most of the studies have addressed the issue of organizational learning as a process and have suggested a number of diverse but close definitions within the framework of this approach. In this context, organizational learning is examined as a process of knowledge acquiring, knowledge sharing and distribution, knowledge interpretation, knowledge utilization and storage (Senge, 1990; Huber, 1991; Kim, 1993; 1996; Jimenez-Jimenez and Sanz-Valle, 2001; Santos-Vijande et al., 2012). These definitions commodiously describe organizational learning as a process starting with the acquisition of existing knowledge from internal and external sources, interpreting by mechanisms within the organization, sharing between member organizations, integrating the new knowledge to the existing one, transforming form will serve the objectives of the organization and finally storing in the organizational memory. Organizations should take into account factors such as risk taking, experimentation, interaction with the external environment, dialogue and participative decision making (Alegre and Chiva, 2008) and create necessary organizational culture and conditions to achieve this (Isaacs, 1993; Kofman and Senge, 1993; Liao et al., 2008). Despite these definitions in the literature, we preferred sub-dimensions of organizational learning capability developed by Jerez-Gomez et al., (2005) as a multidimensional perspective since it is expressed as the basic elements that an organization will need to learn. According to this approach, organizational learning capability has four sub-dimensions: managerial commitment, system perspective, openness and experience and knowledge transfer and integration. For the high learning capability, an organization must demonstrate a high success in each of these four dimensions for the high learning capability.

Managerial commitment is related to the role of management in the learning process and includes specific and concrete activities that demonstrate the importance of learning in terms of management (Jerez-Gomez et al., 2005). Creating a learning based culture, developing learning mechanisms, management of change processes, eliminating the old beliefs and mental models, creating a belief in staff on strategic importance of learning, encouraging the employees for learning and above all including learning processes and activities personally may be considered as activities in this context (Senge, 1990; Nonaka and Takeuchi, 1995; Calantone et al., 2002). System perspective means bringing together all members of the organization around a common identity and focusing on the learning by different departments and individuals together (Calantone et al., 2002; Jerez-Gomez, 2005). As organizations are the areas consisting of different interests, it is only possible to coordinate the different departments and working groups and improve learning quality by creating a shared vision. Openness and experimentation mean questioning existing routines in the organization, being receptive to new ideas and experiencing them (Calantone et al., 2002; Jerez-Gomez, 2005). Organizations

receptive for innovation can be more successful in terms of producing solutions to future problems by trying out new ideas and making changes in business processes through the new knowledge they have acquired (Jerez-Gomez, 2005; Alegre and Chiva, 2013). Therefore, organizations should create organizational climate and conditions to ensure openness and experimentation which constitute an important aspect of organizational learning. Knowledge transfer and integration mean the dissemination of the obtained knowledge throughout the organization and the integration of the existing knowledge stored in organizational memory for future usage (Kofman and Senge, 1993; Moorman and Miner, 1998). Organizations should create necessary environment/conditions (for example, dialogue, meetings, cross-training, discussion, communication channels, etc.) to ensure all acquired knowledge that would be shared across all departments and business units in the organization (Isaacs, 1993; Santos-Vijande, 2012). Because the knowledge acquired by a department can be quite valuable to another department. On the other hand, it is very important for achieving high level organizational learning capability and providing continuity to collect this knowledge in a way that the members of the organizations can benefit and create organizational memory to storage the knowledge to be used when needed in the organizational memory (Huber, 1991).

HYPOTHESIS DEVELOPMENT

Leadership styles and organizational learning capability

Leaders play a central role in all phases of the organizational learning (obtaining the necessary sources to realize learning, creating the shared understandings, integrating new knowledge to the existing one, disseminating within the organization and ensuring institutionalization etc.) (Berson et al., 2006). In all these processes, the leader has a crucial role of building an effective learning culture and sustaining it. Davenport and Prusak (1998) have proposed very clear and specific recommendations regarding the role of leaders on organizational learning. For example, leaders advocate the importance of learning and knowledge, design, implement and oversee the learning infrastructure of an organization, give direction to the development of learning and knowledge strategy focusing on the organization's resources and thus contribute to the development of learning skills. However, different leadership styles have different effects on the realization of learning. Participative leadership style, that keeps all communication channels open within the organization, allows exploring the data related to their duties and clarifies unclear points to the members of the organization (Somech, 2006). Supportive leaders provide organizational learning through experimentation, communication, dialogue, personal mastery or knowledge creation processes (Montes et al., 2005). Instrumental leaders stimulate exploration and exploitation and facilitate learning that reinforces existing practices (Berson et al., 2006). In the light of these statements, we developed the following hypothesis:

H1. There is a positive relationship between leadership styles and organizational learning capability.

Organizational learning capability and firm performance

Learning is an important and essential source of organizations to gain a sustainable competitive advantage. According to Jerez-Gomez et al., (2005), this situation can also be a source of heterogeneity among organizations. Learning organizations have both more productive and adaptive structures when compared to conventional organizations because of having commitment to learning, openness to new ideas, coping with complexity, continuously adjusting new situations and challenges and self-renewal ability considering to environmental demands (Kofman and Senge, 1990; Jaw and Liu, 2003; Jimenez-Jimenez and Sanz-Valle; 2011). An organization with the learning capability and learning orientation is in quest of having a greater knowledge on customer needs, competitor actions, technological and political developments and understanding them fully and deeply (Calantone et al., 2002; Santos-Vijande et al., 2012). Having the ability of anticipating and understanding changes in the environment and market, organizations increase their strategic capacity by determining clearly the current of potential needs of their customers and become more flexible and faster compared to their competitors in term of meeting these needs more quickly and effectively (Sinkula, 1994; Garcia-Morales et al., 2012). In the literature, the importance of the organizational learning capability is highlighted to obtain a competitive advantage, to survive in the long term and to display effective performance (Senge, 1990; Huber, 1991). This arguments has led us to develop the following hypothesis:

H2. There is a positive relationship between organizational learning capability and firm performance.

Leadership styles and firm performance

Leaders are the major actors influencing all processes and enabling goal attainment (Northouse, 1997). Effective leaders achieve organizational success bringing the right people and technology together to offer a product or service successfully (Brass and Krackhardt, 1999). This means that leaders affect and direct all resources and processes that exist in an organization. The primary responsibility of leaders is to articulate the organization's mission, vision, strategy, and goals clearly and precisely, ensure their dissemination within the organization, convince and direct subordinates towards the organizational goals (Berson and Avolio, 2004). In addition to this, leaders have been also crucial in ensuring the sustainability of organizational success. Antonakis and House (2004) have stated that instrumental leadership has the right properties to achieve sustainable performance and also might actually help foster the transformational effect. Since the instrumental leadership requires reaching the desired goals, maximizing the value of subordinates, compensating between the ability of subordinates and environmental conditions, monitoring the performance results and providing feedback. Since participative leaders involve subordinates to the processes and keep communication channels constantly open, they have clear and conscious knowledge strategy when the organization needs to take advantage of the knowledge available in impacting efficiency, effectiveness and competitive position (Politis, 2001). Despite these descriptions, the lack of research examining the relationship between leadership styles and firm performance in the literature indicates the need to investigate this relationship empirically. In addition, as Ogbonna and Harris (2000) mentioned that the majority of the studies examining relationship between leadership and performance have focused on transformational leadership style. Due to the lack of the empirical studies related to different leadership style (participative, supportive and instrumental), there is a need for more empirical studies to reveal this relationship. Therefore the following hypothesis is developed;

H3. There is a positive relationship between leadership styles and firm performance.

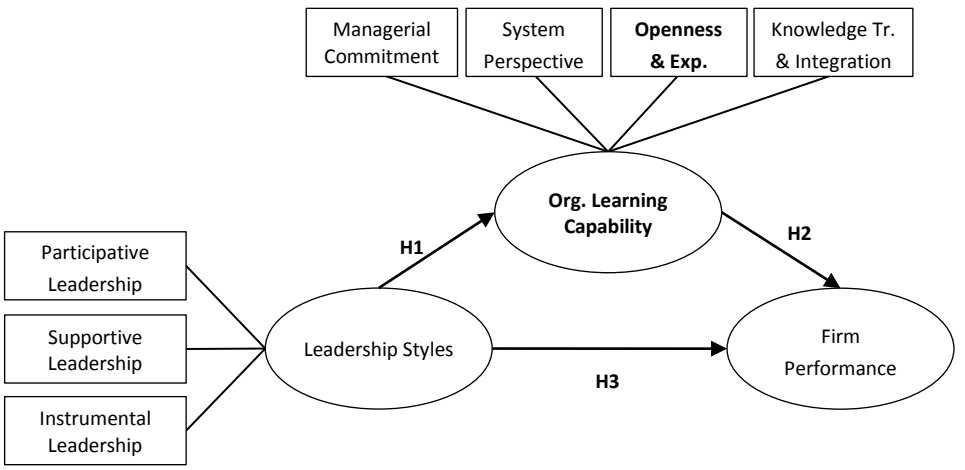

Figure 1. A framework linking leadership styles, organizational learning capability and firm performance.

METHOD

Sample and data collection

This study investigates the relationship between leadership styles, organizational learning capability and firm performance. The data used to test the hypotheses are drawn from the organizations operating in the Marmara Region of Turkey which is the most industrial region. In the selection process of the companies, it has been benefitted from Istanbul Chamber of Commerce database. Key informants who are official at top–middle level of management and have sufficient knowledge about both the entire organization and the managerial and strategic issues of the organization have been prioritized. The questionnaire was sent to 580 organizations and 234 of them answered. Yet, 27 of the 234 returns were deleted due to incomplete and inconsistent information. The final response rate was 35.69%, a total of 207 valid responses. In our sample, the number of employees in the responding firms was more than 100 (60.60%). The age of the firms was over 20 years old (51.50%). The sector of the firms was service (36.71%), finance (28.99%) and manufacturing ones (28.99%).

Measures

In this study, multi-item scales are used and all scales are adopted from prior studies in the literature. First, leadership styles have been adapted from the study of Harris and Ogbonna (2000) which comprises three parts: Participative leadership (PL) (5 items), supportive leadership (SL) (4 items) and instrumental leadership (IL) (4 items). Second, organizational learning capability has been adapted from the study of Jerez-Gomez et al., (2005) which comprises three parts: Managerial commitment (MC) (5 items), system perspective (SP) (3 items), openness and experimentation (OE) (4 items) and knowledge transfer and integration (KTE) (4 items). Finally firm performance has been measured as financial performance (FP) and adapted from Ellinger et al., (2002). All constructs are measured by using 5-point Likert scales ranging from “Strongly disagree” (1) to “Strongly agree” (5). Parallel-translation method has been adapted to develop the questionnaire and after ensuring the suitability it has been tested by industry experts for the content validity. Thus comprehensibility has been provided fully.

ANALYSIS AND RESULTS

Factor analysis

Factor analysis is used to assess the validity of the scales. After exploratory factor analysis using principal component with varimax rotation, seven factors were obtained. All factor loadings were greater than 0.50 and the total variance explained was found as 69.62%. Some items which were not loaded under any factor and some items which were loaded under only one factor were removed respectively and the final table was reached out. All items related to leadership styles were loaded under three factors (Participative, supportive and instrumental). But items related to organizational learning capability were not fully loaded. The items on managerial commitment and system perspective were loaded fully under two factors but one of four items on openness and experimentation was not loaded under any factor. Interestingly none of the items of knowledge transfer and integration dimension was loaded under any factor. Therefore, this dimension of organizational learning capability was excluded from the analysis. Finally, nine items were loaded under the firm performance. In additon, Kaiser-Mayor-Olkin (0.903, p=0.00) and Bartlett’s Test of Sphericity (x^2=4719.13, p=0.00) show us that we have adequate number of factors and our measures are appropriate for the analysis of hypotheses.

Table 1. Factor Loadings of Leadership Styles, Org. Learning Capability and Firm Performance

	1	2	3	4	5	6	7
PL1	.857						
PL2	.849						
PL3	.807						
PL4	.778						
PL5	.772						
SL1		.811					
SL2		.729					
SL3		.707					
SL4		.662					
IL1			.818				
IL2			.766				
IL3			.749				
IL4			.654				
MC1				.772			
MC2				.758			
MC3				.715			
MC4				.680			
MC5				.673			
SP1					.853		
SP2					.771		
SP3					.709		
OE1						.664	
OE2						.591	
OE3						.534	
FP1							.856
FP2							.827
FP3							.824
FP4							.820
FP5							.818
FP6							.766
FP7							.758
FP8							.743
FP9							.738
Explained total variance: 69.62% and KMO: 0.903							

Extraction Method: Principal Component Analysis; Rotation Method: Varimax with Kaiser Normalization

Rotation is converged in 6 iterations.

Correlation analysis

After factor analysis, we calculated standard deviations and means for each variables and then correlation analysis is carried out. By correlation analysis, the relationship between independent variables and dependent variables is revealed. As a result of calculations, standard deviations and means are found within the expected ranges. The correlation between the variables is in the range of 0.214 - 0.647 (low-moderate correlation) and correlation is significant for p=.001. These results show us that all of the variables, differing from each other, are correlated with each other. In order to measure the reliability, cronbach's alpha scale is used. Measuring internal consistency, Cronbach's alpha value is expected to be greater than 0.7 (Nunnally, 1978). But it is

stated that cronbach's alpha value greater than 0.65 is acceptable (DeVellis, 2011). As seen Table 2, all of cronbach's alpha values are above the acceptable levels (0.675-0.935).

Table 2. Standard Deviation (SD), Mean, Cronbach's Alphas and Factor Correlations

	SD	Mean	PL	SL	IL	MC	SP	OE	FP
PL	.91	3.41	(.934)						
SL	.97	3.22	.647**	(.915)					
IL	.63	3.80	.377**	.487**	(.814)				
MC	.83	3.56	.511**	.586**	.319**	(.847)			
SP	.80	3.67	.430**	.500**	.447**	.417**	(.852)		
OE	.70	3.80	.444**	.550**	.383**	.589**	.515**	(.675)	
FP	.83	3.44	.312**	.305**	.214**	.272**	.266**	.252**	(.935)

**Correlation is significant at the 0.01 level, The values in parentheses and bold are Cronbach's alpha.

Hypothesis testing

Regression analysis has been applied to test the hypothesis. Analysis results are shown in Table 3 and Table 4. First, the relationship between LS and OLC has been tested. The hypothesis test results of the relationship between LS and OLC shows that there is a positive and significant relationship between LS and dimensions of OLC. In depth, the relationships of PL and MC (β=.224, p=.003), PL and SP (β=.157, p=.042) and PL and OE (β=.137, p=.074) are positive and significant. Similarly, SL and the three dimensions of OLC is positively related (Respectively, SL-MC: β=.429, p=.000; SL-SP: β=.275, p=.001; SL-OE: β=.393, p=.000). Regarding IL, SP (β=.254, p=.000) and OE (β=.140, p=.036) relationship is also positive and significant. Therefore, H1 is supported except the relationship between IL and MC. The another tests are performed with the aim of determining the impact of LS and OLC on firm performance. As seen Table 4, only participative leadership is positively associated with performance (β=.153, p=.090). So, H3 is supported partially. On the other hand, the data does not show positive and significant relation between the dimensions of OLC and firm performance. Thus, H2 is not supported.

Table 3. Results of the regression analysis - Leadership styles and OLC dimensions relations.

	Dependent Variables								
	Managerial Commitment			System Perspective			Openness & Experimentation		
Independent Variables	β	t	Sig.	β	t	Sig.	β	t	Sig.
Participative Leadership	.224***	3.043	.003	.157**	2.044	.042	.137*	1.798	.074
Supportive Leadership	.429***	5.500	.000	.275***	3.373	.001	.393***	4.871	.000
Instrumental Leadership	.026	.399	.690	.254***	3.789	.000	.140**	2.108	.036
	R2 = .374 F = 40.041 DW = 2.133			R2 = .318 F = 31.256 DW = 2.030			R2 = .330 F = 33.046 DW =2.094		

Table columns contain standardized beta coefficients. and values are significant for *$p<0.10$, **$p<0.05$, ***$p<0.01$

Table 3. The results of the regression analysis - Leadership styles, OLC dimensions and firm performance relations.

		Dependent Variable		
		Firm Performance		
Constructs	Independent Variables	β	t	Sig.
Leadership Style	Participative Leadership	.153*	1.704	.090
	Supportive Leadership	.074	.731	.465
	Instrumental Leadership	.040	.503	.615
Organizational Learning Capability	Managerial Commitment	.078	.864	.389
	System Perspective	.096	1.149	.252
	Openness & Experimentation	.033	.362	.718
		R^2 = .134 F = 5.104 DW = 2.038		

Table columns contain standardized beta coefficients. and * values are significant (*$p<0.10$)

We want to note that Durbin-Watson statistics (2.030-2.133) obtained from hypothesis tests indicate no serial correlation problem. In addition, VIF values are between 1,000 and 1,524. This shows that there is no relation between independent variables.

DISCUSSION AND CONCLUSION

This research study investigates the role of leadership style and organizational learning capability over firm performance relations. The results of the analysis support the relationship between leadership style and organizational learning. This result is consistent with Vera and Crossan (2004) and Montes et al., (2005) As indicated in the prior studies, supporting the positive relation between leadership and organizational learning, leaders can provide learning opportunities to the members of the organization and contribute to the creation of organizational learning through making decisions together, ensuring participation, setting goals together, communication, dialogue, taking into account the needs of subordinates, directing them in difficult times, supporting their effort (Montes et al., 2005; Berson et al., 2006). In addition, our results show that the relationship between SL and dimensions of OLC are stronger than other leadership styles.

In relation to leadership styles and performance, our results on the relationship of participative leadership with performance are consistent with Zehir et al., (2011). Called as “loose” style by Sagie et al., (2002), participative leadership affects the quality of the decisions and arouses cognitive processes that improve performance. These processes include clarification of problems, information seeking, data sharing, resonance of ideas, and synthesis of viewpoints. On the other hand, due to determination of organizational objectives with the members of the organization and making decision together in this process, participative leadership is effective on development of knowledge-based strategies and thus the achievement of performance (Politis, 2001).

The analysis results regarding the relationship of organizational learning capability with performance is a surprise for us. However, these results do not eliminate the importance of organizational learning capability. Organizations should constitute learning environment for their employees and encourage them. Thus, organizational learning can contribute performance by other factors which is effective on the performance achievement.

Managerial implications, further researches and limitations

Leadership has long attracted attention in a wide range of practice and numerous researches have been conducted on this concept. Our findings support the relationship of participative leadership with performance. According to these findings, leaders who participate subordinates to the decision processes, listen to them, keep communication channels open continuously and emphasize knowledge sharing can contribute to the performance. On the other hand, the efforts of managers (for example, encouraging employees for learning, supporting them to acquire knowledge from internal and external sources - fairs,

customer visits, research institute relations, scientific activities, industry publications, intra-organizational information sharing systems, etc.-, recording the obtained knowledge systematically and establishing information systems which allow members to reach them) will allow the use of the knowledge to solve a problem or meet a need arisen for the future.

This model developed in this study can serve as a framework for future studies both basically and expanded form. For instance, instead of leadership styles used in this study, adaptive, spiritual, entrepreneurial leadership styles and their relations with organizational learning and performance can also contribute to the literature. In addition, the mediating role of organizational learning between leadership styles and performance can also be examined. Finally, this model can be examined as a whole in team level.

As in all empirical studies, this study has also its own limitations. These limitations are generally about the method, location and time. Data related to all variables in the questionnaire were collected in the same time period. In addition, due to the nature of the data generalisability is also a limitation. This study was conducted in the Marmara Region of Turkey. Because the study was carried out in the national context, researches should be cautious in generalizing the results to different cultures.

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