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THE ROLE OF KNOWLEDGE SHARING ON INNOVATION AS AN ESSENTIAL ORGANIZATIONAL ENTREPRENEURSHIP TOOL: EVIDENCE FROM THE EGYPTIAN TEXTILE AND GARMENT SECTOR

Marwa Ahmed Elnaggar[1*], Prof. Dr. Tarek Taha Ahmed[2], Prof. Dr. Mohamed A. Ragheb[3], Dr. Fahd A. Hemeida[4]

[1]The Arab Academy for Science and Technology & Maritime Transport, Alexandria, Egyptngr16@hotmail.com*
[2]Pharos university in Alexandria, Egypt Dr.tarek.ahmed@pua.edu.eg
[3]The Arab Academy for Science and Technology & Maritime Transport, Alexandria, Egyptraghebmm@aast.edu
[4]College of Engineering and Technology, Arab Academy for Science, Technology and Maritime Transport, Alexandria, EgyptFahd.omar@aast.edu

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Corresponding Author: Marwa Ahmed Elnaggar (egyptngr16@hotmail.com)

ABSTRACT

In today's rapidly changing world, knowledge is more valuable than ever. With the constant influx of new information, technologies, and innovations, it is essential to stay informed and relevant to stay ahead of the curve. Essentially, knowledge is the key to unlocking opportunities for success, growth, and progress. In business, knowledge is considered an important strategic asset. It is the results of skills, experience, capabilities, and insight which collectively create the business. The overall aim of this research is to empirically investigate the effect of knowledge sharing on organizational entrepreneurship with the mediation role of innovation: (garments and textile sector in Egypt). The study followed the quantitative approach and data gathered from a survey and the participants of the study were 384 employees in Egyptian garments and textile organizations. The results were analyzed by structural equation model analyses (SEM) using AMOS software. Statistically significant results from this study reported were as follows: Knowledge Sharing has a significant effect on Corporate Entrepreneurship in the Textile and Garment sector in Egypt. Knowledge Sharing has an impact on Innovation in the Textile and Garment sector in Egypt. Innovation has a significant effect on Corporate Entrepreneurship in the Textile and Garment sector in Egypt. In addition to that, the mediation role of innovation among knowledge sharing and Corporate Entrepreneurship is statistically supported. In conclusion, the strength and structure of these relationships suggest that knowledge sharing in this context functions not merely as an operational communication process, but as a strategic organizational capability embedded within broader learning and coordination mechanisms.

KEYWORDS: Knowledge Sharing, Innovation, Corporate Entrepreneurship, Textile and Garment sector, Egypt.

1. INTRODUCTION

The knowledge-based perspective of the firm assumes that knowledge is a strategic resource that organizations use to become innovative and competitive, and mechanisms of knowledge management and knowledge sharing mobilize the asset (Makhloufi, 2023). Knowledge sharing occurs through numerous channels that are analytically different, and each one of them has its own contribution to the outcomes of innovation. There is a salient difference between tacit and explicit knowledge sharing, and external and internal knowledge flows. Tacit knowledge transfer (including exchange of experiential know-how, skills, and contextual understanding) has been repeatedly associated with increased employee creativity and firm-level innovation. Nevertheless, it is highly reliant on organizational culture, incentive systems, trust, and social interaction opportunities that give rise to informal learning (Bhardwaj, 2019). Conversely, explicit knowledge sharing is more based on codified systems, documentation, and formal communication, and thus, facilitates standardization and efficiency in processes.

Further, Knowledge sharing within teams and organizational units has been found to be a critical mediating construct between organizational design attributes and entrepreneurial orientation. Empirical studies have shown that internal knowledge sharing can mediate the relationship between task interdependence and trust and entrepreneurial behaviors, implying that knowledge sharing is a proximate process through which structural and relational conditions are transformed into organizational entrepreneurship (De Clercq et al., 2015).

The role of knowledge sharing as a mechanism of entrepreneurship in organizations is centralized by the literature that can examine the interaction of the latter with capability of innovations and firm performance. Empirical evidence shows that knowledge sharing and organizational innovative capabilities are mutually reinforcing in firm performance, and corporate entrepreneurship strengthens these connections by transforming knowledge resources into opportunity-seeking and risk-taking behavior (Hasnain et al., 2017).

In the textile sector, the interdependence between knowledge sharing, innovation, and organizational entrepreneurship attains a special importance. Textile industry as a classic manufacturing sector that is experiencing long-standing innovation challenges due to the globalization of the industry, technological progress, and the changing preferences of consumers is characterized by the capability constraint, lack of infrastructures, and development of human capital (Duru et al., 2023).

The textile and garment industry in Egypt is a strategically valued and under-researched empirical context. The industry has shown quite remarkable growth over the past years where garment exports have grown by about 25 percent in April 2024 than in the year before, a measure that depicts the industry to be very competitive internationally and market penetration (Egypt's Garment Exports, 2024). The industry has hundreds of thousands of employees, and it has contributed significantly to the production of manufacturing output and exports, and it has become a pillar in national economic development policies. However, the industry still has a lot of issues regarding technological modernization, skills acquisition, innovative capability, and connectivity with the global value chains.

The critical literature review indicates that there are several research gaps that support the current study. First, despite strong theoretical connections between knowledge sharing and innovation as well as organizational entrepreneurship, there is little empirical research that looks at the entire causal pathway, including the mediating and moderating processes (Makhloufi, 2023). Second, multilevel knowledge flows as the mechanisms that define firm-level entrepreneurship national and sector contexts have not been well examined by entrepreneurial ecosystem research (Andrade et al., 2022). Above all, there is a lack of systematic empirical studies that study the nature of knowledge sharing, organizational entrepreneurship, and innovation in the context of the textile and garment industry in Egypt, and the available studies are limited to heritage crafts and small-scale entrepreneurship projects.

This thesis fills these gaps by empirically researching the impact of knowledge sharing in the form of tacit and explicit knowledge on the performance of entrepreneurship and innovation within Egyptian textile and garment organizations. The research has theoretical implications in terms of applying knowledge-based perspective, dynamic capability theory, and entrepreneurial orientation frameworks in a relatively unexplored national and sectoral setting, and testing in an empirical manner the mechanisms through which knowledge sharing fosters innovation and entrepreneurial performance. In practice, the results can provide practical advice to managers who want to achieve better knowledge sharing performance, promote entrepreneurial

behaviors, and innovation performance in the context of emerging economic constraints. On a policy level, the paper presents evidence-based suggestions to facilitate innovation-based expansion and organizational entrepreneurship in the Egyptian textile and garment sector, which is strategically important.

2. LITERATURE REVIEW

2.1 Organizational Learning Theory and the Knowledge-Based View

Organizational Learning Theory offers a comprehensive framework for understanding the transformation of dispersed knowledge into innovative and entrepreneurial outcomes via continuous learning processes (Qader et al., 2022). The theory proposes that knowledge sharing is the fundamental process of transforming individual insights into organizational learning (Qader et al., 2022; Riana et al., 2023). Moreover, Organizational Learning Theory is particularly important in the manufacturing settings where the business environment is highly dynamic and technologically strained, such as in the textile and garment industry (Qader et al., 2022).

The Knowledge -Based View (KBV) of the firm is based on the fact that, organizations are knowledge stores and treat knowledge as the ultimate resource to attain and maintain a competitive advantage. In the context of this theory, the performance of firms largely depends on their ability to create, absorb, and utilize knowledge in the most skilled manner as compared to their competitors (Khalil et al., 2022). The Knowledge-Based View also provides the theoretical basis to conceive the concept of knowledge sharing as a multidimensional construct. Knowledge transmission at the individual level will be a measure of how motivated and willing the employees are to share expertise; organizational level will be influenced by the managerial support and structure, and technological level will be influenced by systems that enable codification and sharing of knowledge. It has been found empirically that congruence between these dimensions increases the ability of firms to use the knowledge resources to achieve innovation and entrepreneurial performance (Khalil et al., 2022; Riana et al., 2023).

Although both theories are based on different theoretical foundations, Organizational Learning Theory and the Knowledge-Based View offer complementary explanations on how the sharing of knowledge can lead to innovation and corporate entrepreneurship. The concept of the Knowledge-Based View assumes that knowledge is a strategic resource, and it is important that knowledge sharing is seen as an organizational input, whereas the Organizational Learning Theory explains how shared knowledge can be transformed into learning and innovative capabilities (Qader et al., 2022; Khalil et al., 2022).

Therefore, the paper embraces a combined theoretical approach that combines the Organizational Learning Theory and the Knowledge-Based View, where knowledge sharing is a constitutive process that promotes innovation through learning processes. The synthesis provides a theoretical basis to explore the topic of innovation as an intervening variable between knowledge sharing and corporate entrepreneurship in the textile and garment industry.

2.2 Knowledge Sharing

The conceptualization of knowledge sharing has been widely used to describe how organizations use and mobilize individual and collective knowledge to help them to achieve learning, innovation and performance outputs. In the organizational environment, knowledge sharing refers to the process of sharing information, skills, experiences, and knowledge with others and organizational units, thus making it possible to reuse and deploy the knowledge in new contexts (Wang and Wang, 2012; Alshwayat et al., 2021). Instead of being perceived as a strictly technical process, knowledge sharing is becoming more of a socially entrenched, organizationally conditioned process that defines how knowledge leads to value creation.

Recent studies highlight that knowledge sharing functions across various organizational dimensions, extending beyond the nature of knowledge itself. Scholars typically differentiate among individual, organizational, and technological dimensions of knowledge sharing, each contributing uniquely to the dynamics of knowledge flows within firms (Ali et al., 2018).

The individual aspect reflects employees' readiness and motivation for sharing knowledge, shaped by elements such as trust, perceived self-efficacy, delight in assisting others, and anticipated reciprocity (Naim & Lenkla, 2016; Nugraha et al., 2021). The organizational aspect of knowledge sharing refers to the structural and cultural factors that encourage or hinder the flow of knowledge. Employee perceptions of knowledge sharing as desirable and worthwhile are substantially influenced by organizational culture, leadership support, reward systems, and knowledge sharing processes (Lee & Lu, 2022; Tassabehji et al., 2019). The

technological aspect of knowledge sharing pertains to the function of information and communication technologies in enabling the codification, preservation, and dissemination of knowledge. Technological platforms, including knowledge management systems, intranets, and digital collaboration tools, facilitate organizations in capturing explicit knowledge and ensuring its accessibility across various units and locations (Iftikhar & Ahola, 2020; Ali et al., 2018).

Meanwhile, the academic literature points out that three aspects of knowledge sharing, including individual willingness to share, organizational culture and leadership, and technological infrastructure are not independent, but rather interdependent. Organizational culture and leadership practices have significant impact on individual propensity to contribute knowledge, but it is the technological systems which provide the required infrastructure on which the knowledge-sharing behaviors can be realized and maintained.

2.3 Innovation as an Organizational Capability

Innovation has been intensively identified in the field of organizational research as one of the essential capabilities, which make a firm adjust, revive, and remain competitive in unstable and dynamic environments. Instead of introducing new products, innovation may include process, managerial, organizational, and business model improvements, which are all included in organizational renewal and performance (Riana, 2019; Harel et al., 2020). In this respect, innovation is a systematic organizational ability as opposed to an intermittent or purely creative one. Literature also puts more focus on innovation that is knowledge-driven in nature. Organizations need novel solutions to be generated, combined, and implemented using the knowledge they create (Chang et al., 2017; Harel et al., 2020).

Notably, recent studies indicate that innovation mediates the effects between knowledge sharing and high-order organizational performance. Knowledge sharing helps in innovation in that it provides the necessary inputs in terms of ideas, information and experience to create solutions in creative manner and experimentation. It is innovation, however, that can transform these inputs into concrete outputs that can be exploited to benefit the organization, which may be new products, better processes, or new practices within the management (Ode and Ayavoo, 2020; Setyawati et al., 2023).

Further, recent empirical studies of textile and garment companies also support the central role of innovation as a mediating variable between knowledge sharing and the entrepreneurial outcome. As the evidence shows, the practices of knowledge sharing enhance the innovative capacity of firms, thereby facilitating entrepreneurial activity, i.e., the development of new products, market penetration, and strategic renewal (Arshad et al., 2022; Setyawati et al., 2023).

2.4 Corporate Entrepreneurship in the Textile and Garment Industry

Corporate entrepreneurship has also been gradually identified as a key organizational strategy that allows the firms in power to seek renewal, stimulate innovation, and remain competitive in the highly dynamic environments. Unlike classical understanding of entrepreneurship which revolves around the innovation of new businesses, corporate entrepreneurship revolves around entrepreneurial efforts that are made within institutionalized businesses. They include strategic renewal, internal venturing, and constant restructuring of organizational resources and capabilities, thus enabling the firms to react in advance to environmental changes and take advantage of new opportunities without eliminating the existing institutional models (Fredberg and Pregmark, 2018).

The connection between knowledge sharing and corporate entrepreneurship has received growing academic interest, especially in manufacturing and textile-associated industries. Corporate entrepreneurship refers to the ability of the organization to engage in renewal, innovation, and exploiting opportunities within the boundaries of the old organizational structures. Previous studies have shown that such entrepreneurial behavior is not developed alone but is heavily dependent on how the organization can mobilize and use the knowledge on an individual, organizational, and technological platform.

The empirical results provide a strong correlation between innovation and corporate entrepreneurship. Innovation provides the avenues of operation by which the organizations transform innovative ideas into marketable products and business improvements, and thus innovation serves as the foundation of entrepreneurial renewal (Khalil et al., 2022). The firm with high innovative capability is in a better position to venture in entrepreneurial activities since they have the routines and competencies to explore the uncertain environment, to distribute resources efficiently and to commercialize new ideas. On the other hand, companies and firms that have limited innovative potential are often faced with challenges in

maintaining entrepreneurial momentum despite the recognition of opportunities.

Regarding the manufacturing industry, corporate entrepreneurship is becoming even more important under the pressure of growing competition, the dynamism of technologies, and the globalization of markets. The textile and garment business is an example of such dynamics. This industry is characterized by short product life cycles, seasonal changes in demand, and intense competition in terms of prices, which requires active and constant entrepreneurship to remain relevant and competitive (Kabukcua, 2015). Companies must simultaneously develop new product design, manufacturing processes, supply-chain integration, and business models to be able to respond to changing market needs.

The textile and garment industry is historically regarded as a labor-intensive, but not a knowledge-based industry, however, recent research shows that the corporate entrepreneurship of this industry is becoming more dependent on knowledge-based and innovation-oriented abilities. Design skills, manufacturing skills, market savvy, and coordination of the supply-chain partners are key sources of competitive advantage. As a result, companies that effectively encourage internal knowledge dissemination and innovation have a higher chance of being involved in business ventures, including the creation of new products, diversification in a market, and renewing strategies (Todeschini et al., 2017).

3. CONCEPTUAL FRAMEWORK

Based on the literature review discussed above, the research conceptual framework was formulated as follows:

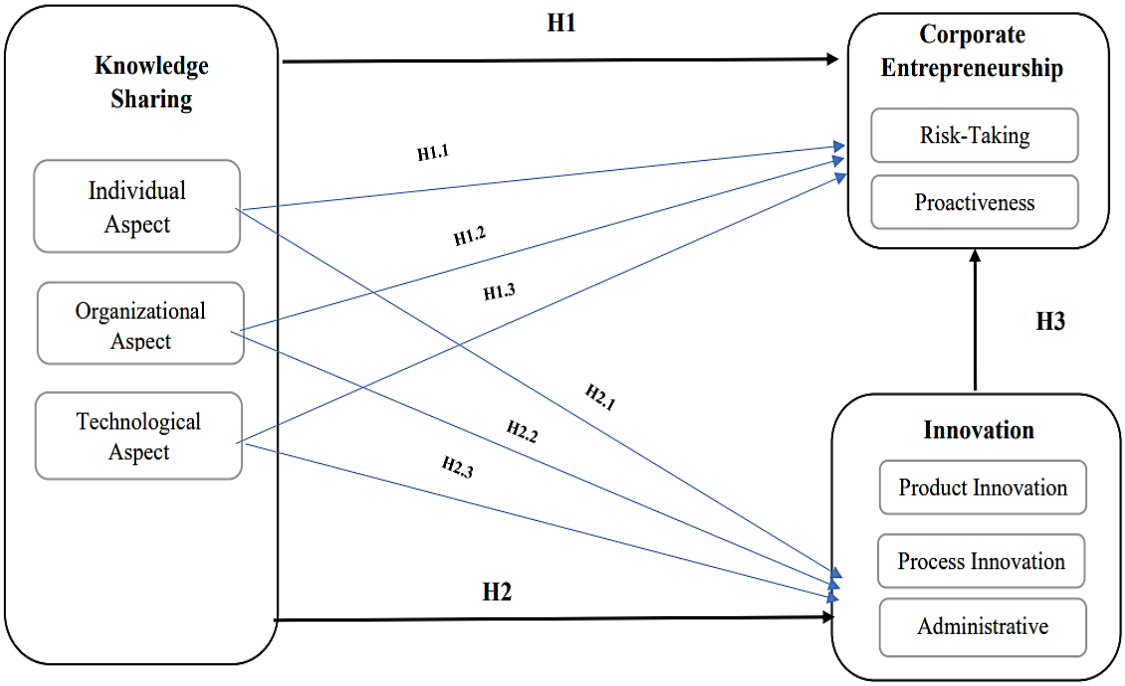

Figure 1: Conceptual Framework

The operational definitions for the conceptual framework are illustrated in Table (1).

4. OPERATIONAL DEFINITIONS

Table 1: Operational Definitions

Variable	Dimension	Measurement Scale
Independent Variable Knowledge sharing	Individual Aspect	Khavari et al., 2016 ; Salehi et al., 2023
	Organizational Aspect	
	Technological Aspect	
Mediator Innovation	Product Innovation	Cools and Van Den Broeck, 2007; Salehi et al., 2023
	Process Innovation	
	Administrative Innovation	
Dependent Variable Corporate Entrepreneurship	Risk-Taking	Cui et al., 2017 ; Ma et al., 2021
	Proactiveness	

5. RESEARCH HYPOTHESES

Based on the conceptual framework, the hypothesized model, and a review of the related studies and theories, the study hypotheses were formulated as follows:

H1: Knowledge Sharing has a significant effect on Corporate Entrepreneurship in the Textile and Garment sector in Egypt.

H1.1: Individual Aspect has a significant effect on Corporate Entrepreneurship in the Textile and Garment sector in Egypt.

H1.2: Organizational Aspect has a significant effect on Corporate Entrepreneurship in the Textile and Garment sector in Egypt.

H1.3: Technological Aspect has a significant effect on Corporate Entrepreneurship in the Textile and Garment sector in Egypt.

H2: Knowledge Sharing has a significant effect on Innovation in the Textile and Garment sector in Egypt.

H2.1: Individual Aspect has a significant effect on Innovation in the Textile and Garment sector in Egypt.

H2.2: Organizational Aspect has a significant effect on Innovation in the Textile and Garment sector in Egypt.

H2.3: Technological Aspect has a significant effect on Innovation in the Textile and Garment sector in Egypt.

H3: Innovation has a significant effect on Corporate Entrepreneurship in the Textile and Garment sector in Egypt.

H4: Innovation mediates the relationship between Knowledge Sharing and Corporate Entrepreneurship in the Textile and Garment sector in Egypt.

H4.1: Innovation mediates the relationship between Individual Aspect and Corporate Entrepreneurship in the Textile and Garment sector in Egypt.

H4.2: Innovation mediates the relationship between Organizational Aspect and Corporate Entrepreneurship in the Textile and Garment sector in Egypt.

H4.3: Innovation mediates the relationship between Technological Aspect and Corporate Entrepreneurship in the Textile and Garment sector in Egypt.

6. RESEARCH METHODOLOGY

This study employed convenience sampling technique because of its high efficiency in terms of time, money and effort. Survey strategy was used in this study because of the large study population; in addition, the survey strategy is perceived as an authoritative strategy and straightforward to explain and understand. The research population of this study consists of textile and garment companies of all sizes operating in Egypt. This research adopted sample size of 388 employees as a research sampling unit. This study adopted an electronic questionnaire. The questionnaire form was created on Google Drive, and then the link was sent to the participants via email and WhatsApp. The questionnaire data is analyzed using the Statistical Package for Social Sciences (SPSS) to analyze quantitative data, including descriptive statistics (frequencies and percentages) and inferential statistics (correlations), and Structural Equation Model analyses (SEM) using Analysis Moment of Structures (AMOS) software to analyze the hypothesized model.

7. RESULTS AND FINDINGS

The research questionnaire was administered to seven hundred (700) respondents, 425 questionnaires representing 60.7% were returned, and 37 questionnaires representing 5.3% were incomplete or ineligible or refusals and 275 (39.3%) were not reached. There were 388 acceptable responses, a response rate of 55.4%, which is highly adequate for the nature of this study. Measurement items have standardized loading estimates of 0.5 or higher (ranging from 0.584 to 0.939 at the alpha level of 0.05, indicating the convergent validity of the measurement model. The average variances extracted (AVE) should always be above 0.50 (Hair et al., 2019). The average variances extracted (AVE) of the particular constructs (Individual Aspect = 0.614, Organizational Aspect =0.531, Technological Aspect = 0.692, Product Innovation = 0.743, Process Innovation = 0.583, Risk-Taking =0.746, Administrative =0.697, and Proactiveness = 0.563) are more than 0.500. Overall, these measurement results are satisfactory and suggest that it is appropriate to proceed with the evaluation of the structural model. Composite reliability (CR) is used to measure the reliability of a construct in the measurement model. The CR of (Individual Aspect = 0.826, Organizational Aspect =0.772, Technological Aspect = 0.870, Product Innovation = 0.896, Process Innovation = 0.807, Risk-Taking =0.898, Administrative =0.873 and Proactiveness = 0.790). So, it clearly identified that in measurement model all construct have good reliability.

Measurement model Results: The 11-factor model was analyzed by Confirmatory Factor Analysis (CFA) utilizing AMOS software. The degrees of freedom (DF) was 223, which is above the minimum threshold of 0. The chi-squared statistics divided by DF (□2/DF) yielded a value of 1.887, which is below

the maximum acceptable limit of 3.0. The RMSEA was .043, which is below the threshold of 0.08. The TLI index was .963, indicating a value very near to 1.0, which signifies a perfect fit. The CFI was 0.970. All indices approximate a value of 1.0 in the CFA, signifying that the measurement models effectively substantiate the factor structure established through the CFA.

Table 2: Measurement model Results

Goodness of Fit Measures	Name of index	Model Result	Remark
Chi-Square	□²	420.732	accepted
Degrees of Freedom	DF	223	accepted
Chi-Square/ Degrees of Freedom	□²/DF	1.887	accepted
Comparative Fit' Index	CFI	.970	accepted
Tucker Lewis Index	TLI	.963	accepted
Root Mean' Square Error of Approximation	RMSEA	.043	accepted

Structural model summary: The results of the structural model utilizing AMOS software indicate that the degrees of freedom (DF) was 237 (which should exceed 0), and the chi-square to degrees of freedom ratio (□²/DF) is 2.679, which is below 3.0 (it should be less than or equal to 3.0). The RMSEA was .059, which is below the threshold of 0.08. The TLI index was .931, indicating a value very near to 1.0, which signifies a perfect fit. The CFI was 0.941. All indices approximate a value of 1.0 in the CFA, signifying that the measurement models effectively substantiate the factor structure established through the CFA.

Table 3: Structural model (Final Result)

Goodness of Fit Measures	Name of index	Model Result	Remark
Chi-Square	x^2	635.028	accepted
Degrees of Freedom	DF	237	accepted
Chi-Square/ Degrees of Freedom	x^2/DF	2.679	accepted
Comparative Fit' Index	CFI	.941	accepted
Tucker Lewis Index	TLI	.931	accepted
Root Mean' Square Error of Approximation	RMSEA	.059	accepted

8. STRUCTURAL MODE

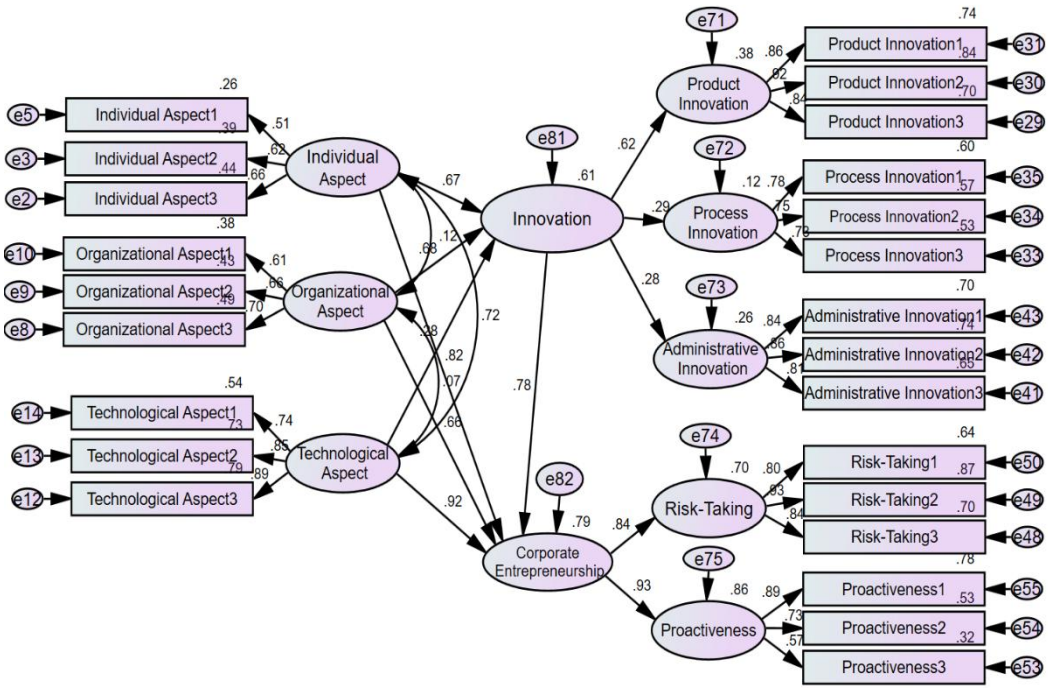

Figure 2: Structural Model (Final Result)

9. DISCUSSION

The main purpose of the study was to explore the impact of knowledge sharing on corporate entrepreneurship while examining the mediating impact of innovation. Continuous knowledge sharing boosts entrepreneurial practices and contributes innovativeness across individuals, departments, units or the entire organization (Khalil

et al., 2022). It contributes to planning services, products, business models, processes, and novel organizational plans.

The analysis shows the positive impact of knowledge sharing on corporate entrepreneurship and found that innovation positively mediates this relationship. As observed in hypothesis testing, knowledge sharing aspects (individual, organizational, and technological aspects) have a positive and significant effect on innovation, in line with the findings of Riana et al. (2023), Qader et al. (2022), and Amiri et al. (2025), who declare that knowledge sharing improves organizational innovation. Also as observed in hypothesis testing, Innovation has a significant effect on Corporate Entrepreneurship in the Textile and Garment sector in Egypt. in line with the findings of Qader et al. (2022) and Amiri et al. (2025). who confirmed the existence of a positive relationship between innovation and entrepreneurial orientation in organizations.

As observed in hypothesis testing, knowledge sharing aspects (individual, organizational, and technological aspects) has a significant effect on Corporate Entrepreneurship in the Textile and Garment sector in Egypt. in line with the findings of Qader et al. (2022), Khalil et al. (2022) and Amiri et al. (2025). who demonstrate that knowledge-sharing behaviors—played a critical role in stimulating corporate entrepreneurship within manufacturing firms. Additionally, the analysis supported the mediating effect of innovation in the relation between knowledge sharing and Corporate Entrepreneurship. In line with the findings of Amiri et al. (2025), who demonstrated that innovation and R&D activities served as key mechanisms through which knowledge sharing translated into entrepreneurial outcomes.

Hence, according to current and previous studies' findings, if knowledge sharing aspects are considered, the basis for inclination towards organizational innovation will be present, leading to the generation of new innovative strategies to address issues and create value, which in turn enables the organization to pursue an entrepreneurial orientation, the approach that allows them to maximize the benefits of innovation.

10. CONTRIBUTION

This paper has dual significance both academically and practically.

Academically, this study makes clear and meaningful contributions to the academic literature on knowledge sharing, innovation, and corporate entrepreneurship.

First, the research contributes by integrating three constructs—Knowledge Sharing, Innovation, and Corporate Entrepreneurship—within a single validated structural framework. Much of the prior literature has examined these relationships separately or in pairs. By empirically testing the full sequence, this study provides a more coherent explanation of how knowledge is transformed into entrepreneurial outcomes.

Second, the study strengthens the explanatory scope of the Knowledge-Based View. While the Knowledge-Based View emphasizes knowledge as a strategic resource (Khalil et al., 2022; Amiri et al., 2025), it offers limited insight into how knowledge becomes operationally useful. The results of this study clarify that innovation capability plays a critical role in converting shared knowledge into entrepreneurial action. This specification enhances theoretical precision and helps bridge the gap between resource-based explanations and dynamic organizational outcomes.

Third, the findings extend Organizational Learning Theory by empirically demonstrating that collective learning processes are not abstract concepts but measurable structural mechanisms that lead to innovation and, ultimately, entrepreneurial renewal (Qader et al., 2022; Riana et al., 2023). The study shows that learning becomes strategically relevant when institutionalized through innovation capability.

Finally, the study expands the contextual boundaries of existing theories. By testing the model within the Egyptian textile and garment industry—a traditional manufacturing sector in an emerging economy—the research challenges the common assumption that corporate entrepreneurship is primarily driven by technology-intensive industries. The findings confirm that structured knowledge and innovation systems can drive entrepreneurial renewal even in labor-intensive environments.

Practically, in addition to its academic value, this study offers practical insights for managers and policymakers within the textile and garment sector.

First, the findings demonstrate that corporate entrepreneurship is strongly influenced by internal knowledge-sharing mechanisms. Managers should therefore focus on building systems that encourage employees to share expertise across departments.

Second, the mediating role of innovation highlights the importance of translating shared knowledge into structured innovation processes. Informal knowledge exchange alone is insufficient. Organizations should institutionalize innovation

through formal experimentation procedures, continuous improvement initiatives, and process redesign strategies.

Third, the results emphasize that knowledge sharing operates at multiple levels. Therefore, digital knowledge platforms, leadership support, and employee engagement mechanisms must be aligned to maximize innovation capability.

Fourth, at the policy level, the findings suggest that industrial competitiveness strategies should incorporate knowledge and innovation development programs, rather than focusing exclusively on physical infrastructure or financial incentives. Finally, supporting collaborative networks and knowledge diffusion mechanisms across textile firms may enhance sector-wide entrepreneurial performance.

Overall, the study provides managers with a structured diagnostic framework. By assessing knowledge-sharing intensity and innovation capability, organizations can identify internal weaknesses that may limit entrepreneurial growth and long-term competitiveness.

11. LIMITATIONS AND SUGGESTIONS FOR FUTURE RESEARCH

Research Limitations

From a methodological perspective, the study adopted a cross-sectional design, capturing organizational perceptions at a single point in time. Although Structural Equation Modelling enabled rigorous testing of direct and indirect relationships, the temporal evolution of knowledge mobilization and entrepreneurial transformation could not be observed. Entrepreneurial capability often develops cumulatively through iterative learning cycles; therefore, the static nature of the data limits dynamic causal interpretation.

From a structural standpoint, the research focused exclusively on internal organizational mechanisms. External environmental pressures—such as regulatory shifts, global supply-chain volatility, and sustainability compliance requirements—were not explicitly integrated into the structural model. In export-oriented industries such as textiles, these macro-level forces may shape the intensity and direction of entrepreneurial initiatives.

Additionally, while Knowledge Sharing was conceptualized as a multidimensional construct (individual, organizational, and technological), other potential enabling or constraining factors were not incorporated. Cultural norms, hierarchical power distance, psychological safety, digital readiness, and absorptive capacity may influence how effectively shared knowledge translates into innovation capability. Finally, the study was conducted within the Egyptian textile and garment sector. Although this context offers valuable insights into traditional manufacturing environments in emerging economies, sector-specific characteristics—such as varying levels of digital maturity and reliance on imported raw materials—may condition the generalizability of the findings to other industrial settings.

Future Research Directions

Building upon empirical findings and identified limitations, several theoretically grounded and contextually relevant directions for future research emerge.

First, longitudinal research designs are recommended to capture the dynamic transformation process linking Knowledge Sharing to Innovation and Corporate Entrepreneurship. Such designs would allow scholars to examine whether the mediating role of innovation strengthens or weakens over time and how cumulative learning processes influence entrepreneurial renewal.

Second, future studies may incorporate behavioral and cultural moderators to refine the explanatory model. Variables such as psychological safety, trust climate, leadership orientation, and empowerment may significantly influence employees' willingness to share tacit knowledge. Integrating these constructs could enhance understanding of the micro-foundations underlying the Knowledge-Based View.

Third, sustainability-driven innovation offers a promising extension of the current model. Given the increasing environmental governance pressures in global textile supply chains, future research may examine whether green innovation initiatives amplify corporate entrepreneurship and strengthen export competitiveness in emerging economies.

Fourth, comparative cross-national studies may analyze knowledge spillover mechanisms associated with foreign direct investment and global partnerships. Investigating how multinational collaborations influence local innovation systems and entrepreneurial orientation would extend the contextual applicability of the integrated framework.

Fifth, Future research may extend the model by incorporating inter-organizational knowledge-sharing mechanisms across fragmented value chains. Examining how knowledge flows between upstream and downstream production stages influence innovation capability would provide deeper industry-specific insight.

Sixth, scholars may investigate generational knowledge-transfer dynamics within traditional manufacturing environments. Exploring how demographic transitions affect tacit knowledge retention and innovation sustainability could refine understanding of long-term corporate entrepreneurship in labor-intensive industries.

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