



Impact of Organizational Innovation, Knowledge Sharing on the Performance of Startups: Mediating Effect of Knowledge Sharing

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ABSTRACT

With the advent of the Fourth Industrial Revolution, companies are now competing in the global market. In addition, the world is rapidly changing due to unstable international conditions and the emergence of artificial intelligence (AI). Throughout history, we have witnessed many companies that failed to innovate and were consequently eliminated from the market. Today, even once-dominant industry leaders are encountering crises due to their failure to innovate in the face of intensifying global competition and rapidly shifting market conditions. In this era of continuous transformation, knowledge, and innovation capability have emerged as critical factors for business survival and securing a competitive edge. This study aims to empirically examine the effects of organizational innovation capability and knowledge sharing on startup company performance. Innovation capability was classified into three sub-variables: creativity, risk-taking, and resource utilization. Startup performance was measured in terms of financial and non-financial outcomes. Survey data were collected from 154 startup founders and employees, and the data were analyzed using SPSS 28.0. The statistical analysis revealed that innovation capability has a positive effect on knowledge sharing, and knowledge sharing significantly affects both financial and non-financial performance. Among the sub-variables of innovation capability, only resource utilization had a statistically significant effect on financial performance, while all three sub-variables—creativity, risk-taking, and resource utilization—positively influenced non-financial performance. These findings suggest that innovation capability and knowledge sharing are key in helping startups enhance their competitiveness and achieve sustainable growth.

Keywords: Knowledge sharing, Innovation capability, Performance of startup, Knowledge management.

Introduction

The rapid advancement of digital technologies, the emergence of the Fourth Industrial Revolution, and increasing instability in global affairs are accelerating transformations in the business environment. These changes have introduced unprecedented levels of complexity, challenging even firms that have long led their markets, as they are struggling to adapt and often fail in their innovation efforts. Nevertheless, some companies have successfully pioneered and led markets through this complexity with effective innovation strategies. The global economy has transitioned into a knowledge-based structure, wherein knowledge and ideas are considered essential production factors required to maintain a competitive advantage (Nonaka & Takeuchi, 1995; Ko, 1999). Knowledge is now recognized as a crucial intangible asset that enhances organizational competitiveness and performance. Consequently, knowledge sharing has become a focal point of interest as a strategic process for effectively utilizing knowledge in management (Park, 2001; Srivastava *et al.*, 2006; Hong, 2018; Shen & Bao, 2025).

In the 21st-century industrial environment, marked by increasing convergence and the blurring of traditional industry boundaries (Yeom & Kim, 2022), knowledge sharing extends beyond simple information exchange. It serves as a

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critical mechanism that promotes innovation and enhances business performance (Wiig, 1997; Argote & Ingram, 2000; İlhan *et al.*, 2022). As such, knowledge management (KM), which involves the systematic management and utilization of knowledge, has become indispensable for modern enterprises (Zhang & Min, 2021).

Innovation capability refers to a firm's capacity to adapt flexibly to changing environments through the use of its creativity and available resources, thereby securing a competitive advantage (Szeto, 2000; Ahn & Kim, 2017). Moreover, innovation capability plays a central role in creating and disseminating knowledge within the organization, thereby influencing business outcomes (Guan *et al.*, 2006; Park & Kang, 2019; Ağaçkiran *et al.*, 2023).

Startups, however, often face structural and strategic challenges due to a lack of experience and human resources or because of limitations in idea generation (Yoon, 2021). Thus, both innovation capability and knowledge sharing are essential drivers that can significantly affect the performance of startups.

This study aims to empirically investigate how innovation capability and knowledge sharing, two critical elements for securing business competitiveness and growth, affect startup performance. Specifically, the study explores the mediating effect of knowledge sharing in the relationship between innovation capability and startup performance. The findings are expected to provide strategic insights for enhancing performance and promoting sustainable growth in startup enterprises.

Innovation Capabilities

The concept of innovation and innovation capability has been defined in diverse ways by scholars. Schumpeter (1934) conceptualized innovation as a form of creative destruction that disrupts market equilibrium through novel combinations of existing resources. Drucker (2001) also described innovation as a process of creating new value and satisfaction through creative destruction. Szeto (2000) defined innovation capability as the ability to make continuous improvements and secure necessary resources to adapt to new environments.

Ahn and Kim (2017) emphasized that innovation capability refers to a firm's ability to create value by mobilizing its internal competencies in response to dynamic market conditions. Iddris (2016), Macri *et al.* (2023) defined it as the capacity to innovate through continuous learning and creativity while utilizing both internal and external organizational resources. Bae and Kim (2019) further noted that innovation capability is a key factor for corporate survival, enabling firms to manage continuous change effectively in rapidly evolving environments.

While definitions vary, a consolidated view suggests that innovation capability refers to an organization's ability to leverage creativity and all available resources —both internal and external —to respond to market changes and generate value.

Knowledge Sharing

Before examining the role of knowledge sharing, it is important to establish a clear concept of *knowledge* itself. Historically, the terms "knowledge" and "information" were often used interchangeably. However, since the 1990s, with increasing attention to competitive capabilities, a clearer distinction began to emerge. In the modern industrial landscape, knowledge has become a core asset and a critical factor of production. Once valuable knowledge is secured, labor and capital can be obtained as needed.

According to Nonaka's knowledge theory, knowledge refers to all intellectual capabilities that enable individuals to create products and services. He distinguishes between two types: explicit knowledge, which is easily codified and communicated, and tacit knowledge, which is intuitive and difficult to articulate. Myung (2001), Bandi *et al.* (2024), defined knowledge as accumulated and systematized information that achieves universality, identifying accumulation, process, and capability as its core attributes. Jeon (2019) described knowledge as a cognitive construct created through experience, judgment, understanding, and learning.

Shin (2013) defined knowledge sharing as the process of disseminating knowledge held by individuals or subunits to the broader organization, thereby integrating it into organizational capabilities. Jeon (2019) emphasized that even non-experts can contribute valuable knowledge, and when shared collectively, such knowledge yields a synergistic effect that exceeds the sum of individual parts. Park (2001), Graefen *et al.* (2023) defined it as the active transmission and diffusion of individual knowledge throughout the organization. Grant (1996) and Wang (2019) emphasized knowledge sharing as a crucial mechanism for maximizing knowledge utilization and enhancing organizational competence.



In summary, knowledge sharing refers to the dissemination of knowledge previously held by individuals or specific departments to other organizational units, enhancing collective capability. It is a critical function for securing corporate competitiveness.

Performance of Startups

For startups to sustain and grow, achieving key objectives is essential, as this is reflected in their *performance*. Startup performance can be classified into financial and non-financial dimensions (Yang, 2011). Financial performance refers to tangible outcomes, while non-financial performance reflects intangible outcomes (Lee & Han, 2020, Dhanasekar *et al.*, 2022).

Financial performance is generally assessed through standard accounting metrics, such as sales revenue, operating profit, net income, and return on investment, which are typically reported in financial statements (Lee, 2015; Kim, Yang, & Ahn, 2017; Wilhelmy *et al.*, 2022; Shaiba *et al.*, 2024). Non-financial performance, although not directly related to monetary value, includes indicators such as customer satisfaction and operational efficiency (Choi, 2020). Other relevant non-financial metrics include brand awareness, new product development, acquisition of intellectual property rights, quality improvement, and employee satisfaction (Son, 2013; Yang & Kim, 2017; Makhoahle & Gaseitsiwe, 2022; Bulusu & Cleary, 2023).

Materials and Methods

Research Model and Hypotheses

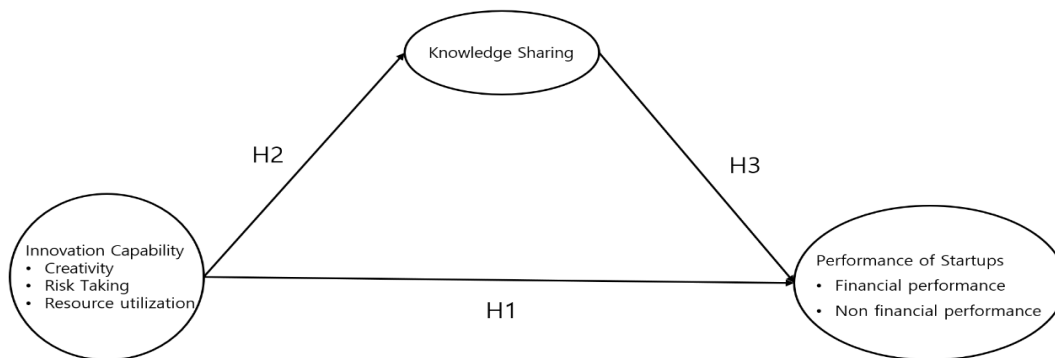


Figure 1. Research Model

Based on a review of prior studies and theoretical frameworks, this study proposes a research model consisting of three key constructs: **innovation capability**, **knowledge sharing**, and **startup performance**. The model examines the direct effects of innovation capability and knowledge sharing on startup performance, as well as the mediating role of knowledge sharing in the relationship between innovation capability and performance. The model is presented in **Figure 1**.

H1 Innovation capability has a positive effect on knowledge sharing.

H1-1 Creativity has a positive effect on knowledge sharing.

H1-2 Risk-taking has a positive effect on knowledge sharing.

H1-3 Resource utilization has a positive effect on knowledge sharing.

H2 Knowledge sharing has a positive effect on startup performance.

H2-1 Knowledge sharing positively affects financial performance.

H2-2 Knowledge sharing positively affects non-financial performance.

H3 Innovation capability has a positive effect on startup performance.

H3-1: Creativity positively affects financial performance.

H3-2 Risk-taking positively affects financial performance.

H3-3 Resource utilization positively affects financial performance.



H3-4 creativity positively affects non-financial performance.

H3-5 Risk-taking positively affects non-financial performance.

H3-6 Resource utilization positively affects non-financial performance.

H4 Knowledge sharing mediates the relationship between innovation capability and startup performance.

H4-1 Knowledge sharing mediates the relationship between creativity and financial performance.

H4-2 Knowledge sharing mediates the relationship between creativity and non-financial performance.

H4-3 Knowledge sharing mediates the relationship between risk-taking and financial performance.

H4-4 Knowledge sharing mediates the relationship between risk-taking and non-financial performance.

H4-5 Knowledge sharing mediates the relationship between resource utilization and financial performance.

H4-6 Knowledge sharing mediates the relationship between resource utilization and non-financial performance

Sample and Data Collection

This study collected data through a structured questionnaire distributed to 154 respondents, including startup founders and members of startup organizations. All items were measured using a 5-point Likert scale, ranging from 1 ("Strongly disagree") to 5 ("Strongly agree"). The survey was conducted online over a period of 64 days, from October 21 to December 23, 2024, using a self-administered format. A total of 154 valid responses were obtained and included in the final analysis.

Measurement Instruments

The questionnaire used in this study comprised a total of 42 items, designed to measure three key constructs: innovation capability, knowledge sharing, and startup performance. Demographic information was measured using nominal scales, while all core variables were assessed using a 5-point Likert scale, ranging from 1 ("Strongly disagree") to 5 ("Strongly agree").

Innovation capability items were developed based on and adapted from previous studies by Isaksen (1995), Lee and Hwang (2017), Ahn and Kim (2017), and Kim (2020), Mubayrik *et al.* (2022). The instrument was revised and refined to reflect the context of this study.

Knowledge-sharing items were revised from the scales used in Park (2001) and Shin (2023) to appropriately capture the behaviors and attitudes related to knowledge transfer within startups.

Startup performance was measured using both financial and non-financial indicators, adapted from Kim, Yang and Ahn (2017), Kim (2019), Son (2013), Skeie and Klock (2023), and Lee (2015). The instrument was modified to align with the specific objectives and structure of this research.

All core variables — innovation capability, knowledge sharing, and startup performance — were measured through a structured survey using a 5-point Likert scale, targeting 154 respondents, including startup founders and organizational members. The internal consistency of each construct was assessed using Cronbach's alpha coefficients. Pearson correlation analysis was used to examine the relationships among the variables, and multiple regression analysis was conducted to test the proposed hypotheses.

A summary of the questionnaire's structure and item composition is provided in **Table 1**.

Table 1. Structure of the Survey Questionnaire

Section	Construct	Sub-Dimensions	Number of Items	Scale
Section	General Information	Gender, Age, Position, Firm Size, Industry, etc.	6	Nominal
Section	Innovation Capability	Creativity, Risk-taking, Resource Utilization	15(5 per subscale)	5-point Likert Scale
Section	Knowledge Sharing		10	5-point Likert Scale
Section	Startup Performance	Financial and Non-Financial Performance	11	5-point Likert Scale
Total			42	

Data Analysis Method

This study analyzed the effects of organizational innovation capability and knowledge sharing on startup performance. Innovation capability was set as the independent variable, with creativity, risk-taking, and resource utilization as its sub-dimensions. Startup performance was designated as the dependent variable, comprising two sub-dimensions: financial performance and non-financial performance. Knowledge sharing was positioned as a mediating variable between independent and dependent variables, as illustrated in **Figure 1**.

To analyze the data, the following procedures were applied. Frequency analysis was conducted to describe the demographic characteristics of the respondents. Reliability analysis and exploratory factor analysis (EFA) were used to assess the internal consistency and construct validity of the measurement instruments. Pearson correlation analysis was employed to examine the relationships among variables. Multiple regression analysis was performed to test the hypotheses. To test the mediating effect of knowledge sharing, a three-step hierarchical regression analysis (Baron & Kenny method) was conducted.

The criteria and statistical techniques used in this study are summarized in **Table 2**.

Table 2. Statistical Analysis Overview

Objective	Analysis Method	Purpose / Description
Descriptive Analysis	Frequency Analysis	To examine demographic characteristics of the sample.
Instrument Reliability	Cronbach's Alpha	To assess the internal consistency of each construct.
Construct Validity	Exploratory Factor Analysis (EFA)	To verify the underlying factor structure of multi-item constructs.
Inter-variable Relationship Analysis	Pearson Correlation Coefficient	To examine the strength and direction of linear relationships among variables.
Hypothesis Testing (Direct Effects)	Multiple Regression Analysis	To test the direct effects of independent variables on dependent variables.
Mediation Effect Testing	Three-step Hierarchical Regression	To verify the mediating role of knowledge sharing (Baron & Kenny's approach).



Results and Discussion

Demographic Analysis

A total of 154 valid responses were collected from startup founders and employees. Frequency analysis was performed to examine the general characteristics of the respondents. The sample was categorized by organization size, work experience, age, gender, and academic major. This classification enables a richer understanding of the background diversity of the participants and enhances the external validity of the findings in entrepreneurial contexts.

Reliability and Factor Analysis

Table 3. Results of Reliability and Exploratory Factor Analysis

Item	Exploratory Factor Analysis (EFA)				Reliability Analysis	
	Innovation Capability			Knowledge Sharing	Startup Performance	
	Creativity	Risk-taking	Resource utilization		Non-Financial Performance	Financial Performance
Creativity 1	.843					
Creativity 2	.879					
Creativity 3	.689					
Risk-taking 3		.773				
Risk-taking 4		.819				
					Cronbach's Alpha if an item is deleted	Cronbach's Alpha
					.904	.910
					.907	
					.896	
					.908	
					.904	

Risk-taking 5	.819								.907
Resource utilization 1	.720								.901
Resource utilization 3	.809								.894
Resource utilization 4	.852								.895
Resource utilization 5	.774								.898
Knowledge Sharing 1	.829								.931
Knowledge Sharing 3	.849								.931
Knowledge Sharing 4	.818								.932
Knowledge Sharing 6	.770								.930
Knowledge Sharing 7	.774								.929
Non-Financial Performance 1	.713								.929
Non-Financial Performance 2	.691								.927
Non-Financial Performance 3	.847								.930
Non-Financial Performance 4	.701								.928
Financial Performance 1	.888								.938
Financial Performance 2	.859								.932
Financial Performance 3	.627								.927
Financial Performance 5	.629								.932
KMO	.891					.918			
Eigen-Value	3.040	2.361	2.359	3.969	3.227	2.812	-	-	
Variance (%)	30.398	23.609	23.588	30.527	24.825	21.634			

To ensure the validity and reliability of the measurement instruments, internal consistency and construct validity were assessed using Cronbach's Alpha and Exploratory Factor Analysis (EFA).

The Cronbach's alpha coefficient for the innovation capability construct was 0.910, with all α values if an item was deleted remaining above 0.894, confirming excellent reliability. For knowledge sharing and startup performance, the alpha values were 0.935, with the lowest item-deleted value at 0.927, indicating a very high level of internal consistency across items.

Construct validity was evaluated using the Kaiser-Meyer-Olkin (KMO) measure and Bartlett's test of sphericity. The KMO values for innovation capability, knowledge sharing, and startup performance were 0.891 and 0.918, respectively, both exceeding the recommended threshold of 0.80. Bartlett's test results were statistically significant ($p < .001$), confirming that the data were suitable for factor analysis.

These results demonstrate that the measurement instruments used in this study possess high internal consistency and construct validity. The result of the factor analysis can be found in **Table 3**.

Descriptive Statistics

Descriptive statistics were calculated to examine the distribution and central tendencies of the main variables used in the analysis. The data were collected through structured survey responses, and the mean and standard deviation were computed for each variable to assess general trends and variability among respondents.

Correlation Analysis

Table 4. Pearson Correlation Matrix of Key Variables

	Creativity	Risk taking	Resource efficiency	Knowledge Sharing	Non-financial performance	Financial performance
Creativity	1					
Risk Taking	.465**	1				
Resource Efficiency	.671**	.598**	1			
Knowledge Sharing	.669**	.659**	.818**	1		
Non-financial performance	.561**	.616**	.683**	.681**	1	
Financial performance	.479**	.460**	.590**	.482**	.721**	1

To examine the relationships among the major constructs, Pearson correlation analysis was conducted. The analysis revealed that all variables were significantly correlated in the expected directions. The sub-dimensions of innovation capability, creativity, risk-taking, and resource utilization exhibited moderate positive correlations with one another, with correlation coefficients ranging from $0.4 < r < 0.7$. All of these relationships were statistically significant at $p < .001$, indicating strong internal coherence among the sub-constructs. Creativity and risk-taking each showed positive and statistically significant correlations with all other variables in the model. Resource utilization displayed a strong positive correlation with knowledge sharing ($r = 0.818$, $p < .001$), as well as moderate positive correlations with financial performance ($r = 0.590$) and non-financial performance ($r = 0.683$). The correlation between non-financial performance and financial performance was also strong ($r = 0.721$, $p < .001$), indicating that improvements in one dimension of performance are associated with improvements in the other. Since all correlation coefficients exceeded $r = 0.4$ and were significant at the $p < .001$ level, these results confirm the presence of statistically significant relationships among the study variables. **Table 4** presents the full correlation matrix.

Multiple Regression Analysis

Multiple regression analysis was conducted using SPSS 28.0 to test hypotheses H1, H2, and H3 empirically. In the model, innovation capability was set as the independent variable, with its three sub-dimensions: creativity, risk-taking, and resource utilization. Startup performance was the dependent variable, divided into financial and non-financial dimensions. Knowledge sharing was tested both as a dependent variable and later as a mediator in subsequent models. To test H1, a regression analysis was conducted using the three sub-dimensions of innovation capability as independent variables and knowledge sharing as the dependent variable.

For creativity, the tolerance value was 0.543 and the VIF was 1.841, indicating no multicollinearity. The p-value was .001, supporting H1-1. For risk-taking, the tolerance was 0.635 and the VIF was 1.575; for resource utilization, the tolerance was 0.445 and the VIF was 2.248, both within acceptable thresholds. The p-values for both variables were $< .001$, supporting H1-2 and H1-3, respectively. The overall model showed a strong positive correlation between innovation capability and knowledge sharing ($r = 0.856$), confirming H1 in full.

H2 Knowledge sharing has a positive impact on startup performance. In this test, startup performance was divided into two dependent variables. Financial and non-financial performance. The correlation between knowledge sharing and financial performance was $r = 0.482$ ($p < .001$). The correlation with non-financial performance was $r = 0.681$ ($p < .001$). Tolerance and VIF were both 1.000, confirming that knowledge sharing is not affected by multicollinearity. Thus, H2, along with H2-1 and H2-2, was fully supported.

To test H3, the three sub-dimensions of innovation capability were used as independent variables, and financial and non-financial performance as dependent variables. For financial performance, the overall correlation with innovation capability was $r = 0.613$. However, H3-1 (creativity $\rightarrow$ financial performance) was not supported ($p = .128$), H3-2 (risk-taking $\rightarrow$ financial performance) was not supported ($p = .059$), and H3-3 (resource utilization $\rightarrow$ financial performance) was supported ($p < .001$). For non-financial performance, the overall correlation was $r = 0.739$. Results showed. H3-4 (creativity $\rightarrow$ non-financial performance) was supported ($p = .043$), H3-5 (risk-taking $\rightarrow$ non-financial performance) and H3-6 (resource utilization $\rightarrow$ non-financial performance) were both supported ($p < .001$). As a result, H3 was partially supported, with 4 out of 6 sub-hypotheses accepted and 2 rejected. The results of multiple regression analyses can be found in **Table 5**.



Table 5. Results of Reliability and Exploratory Factor Analysis

Model		Unstandardized Coefficient (B)		Standardized	t	sig.	Multicollinearity Statistics	
Dependent Variable (DV)	Independent Variable (IV)	B	Standard Error (SE)	β			Tolerance	VIF
Knowledge Sharing	Creativity	.184	.056	.189	3.311	.001*	.543	1.841
	Risk Taking	.213	.046	.246	4.650	<.001**	.635	1.575
	Resource Efficiency	.504	.059	.543	8.596	<.001**	.445	2.248
R=.856 R2=.733 R2adj=.728 F=137.485 sig.<.001B								
Non-Financial Performance	Creativity	.151	.074	.152	2.040	.043*	.543	1.841
	Risk Taking	.271	.061	.308	4.461	<.001**	.635	1.575
	Resource Efficiency	.374	.078	.396	4.803	<.001**	.445	2.248
R=.739 R2=.546 R2adj=.537 F=60.083 sig.<.001B								
Financial Performance	Creativity	.127	.083	.134	1.530	.128	.543	1.841
	Risk Taking	.130	.068	.154	1.906	.059	.635	1.575
	Resource Efficiency	.367	.087	.408	4.213	<.001**	.445	2.248
R=.613 R2=.376 R2adj=.363 F=30.079 sig.<.001B								
Financial Performance	Knowledge Sharing	.468	.069	.482	6.776	<.001**	1.000	1.000
R=.482 R2=.232 R2adj=.227 F=45.911 sig.<.001B								
Non-Financial Performance	Knowledge Sharing	.694	.060	.681	11.476	<.001**	1.000	1.000
R=.681 R2=.464 R2adj=.461 F=131.706 sig.<.001B								

*p<.05, **p<.001

Mediation Regression Analysis

To verify the mediating effect of knowledge sharing on the relationship between innovation capability and startup performance, a three-step hierarchical regression analysis was conducted, following the procedure suggested by Baron and Kenny (1986). The mediation model was tested separately for each sub-dimension of innovation capability (creativity, risk-taking, resource utilization) and each outcome variable (financial and non-financial performance).

Step 1 examined whether each sub-dimension of innovation capability had a significant effect on startup performance. Step 2 tested whether the same sub-dimensions significantly influenced knowledge sharing. Step 3 evaluated whether knowledge sharing had a significant impact on startup performance, controlling for innovation capability. Mediation was supported if the independent variable had a significant influence on both the mediator and the dependent variable. The mediator had a significant effect on the dependent variable. The impact of the independent variable on the dependent variable was reduced (partial mediation) or became non-significant (full mediation) when the mediator was included.

The results are summarized as follows. For H4-1 and H4-2 (mediation between creativity and financial/non-financial performance via knowledge sharing): partial mediation was observed only for non-financial performance ($p = .043$), while no significant mediation effect was found for financial performance ($p = .128$). For H4-3 and H4-4 (risk-taking $\rightarrow$ performance via knowledge sharing): partial mediation was confirmed for both financial and non-financial performance ($p < .001$). For H4-5 and H4-6 (resource utilization $\rightarrow$ performance via knowledge sharing): full mediation was indicated, as knowledge sharing significantly predicted both outcomes, and the direct effect of resource utilization became non-significant or substantially reduced when the mediator was included ($p < .001$). These findings confirm that knowledge sharing plays a significant mediating role, particularly in the relationship between resource



utilization and both types of performance, and between risk-taking and performance outcomes. The results of mediation regression analyses can be found in **Table 6**.

Table 6. Results of Mediation Regression Analysis

Path	Step	Standardized β	T Z	P Z	R ²
Creativity – Knowledge Sharing – Non-Financial Performance	Step 1	.669	11.086	<.001**	.447
	Step 2	.561	8.366	<.001**	.315
	Step 3(IV)	.192	2.438	.016*	.485
	Step 3(Mediator)	.553	7.041	<.001**	
Creativity – Knowledge Sharing – Financial Performance	Step 1	.669	11.086	<.001**	.443
	Step 2	.479	6.733	<.001**	.230
	Step 3(IV)	.284	3.055	.003*	.277
	Step 3(Mediator)	.292	3.132	.002*	
Risk Taking - Knowledge Sharing – Non-Financial Performance	Step 1	.659	9.155	<.001**	.434
	Step 2	.616	9.637	<.001**	.379
	Step 3(IV)	.295	3.906	<.001**	.507
	Step 3(Mediator)	.487	6.452	<.001**	
Risk Taking - Knowledge Sharing – Financial Performance	Step 1	.659	10.805	<.001**	.0434
	Step 2	.460	6.393	<.001**	.212
	Step 3(IV)	.253	2.729	.007*	.268
	Step 3(Mediator)	.315	3.404	<.001**	
Resource Efficiency – Knowledge Sharing – Non-Financial Performance	Step 1	.818	17.522	<.001**	.669
	Step 2	.683	11.522	<.001**	.463
	Step 3(IV)	.379	3.837	<.001**	.505
	Step 3(Mediator)	.371	3.758	<.001**	
Resource Efficiency – Knowledge Sharing - Financial Performance	Step 1	.818	17.522	<.001**	.669
	Step 2	.590	9.004	<.001**	.348
	Step 3(IV)	.592	5.180	<.001**	.339
	Step 3(Mediator)	-.002	-.019	.985	



Mediation Regression Analysis

Cronbach's Alpha is used to assess the validity and reliability of the data. A good fit model is then employed to study the relationship between the variables, while linearity assumptions are verified. A scatter plot diagram is also used to test the hypothesis. The independence of residuals is checked, and normality assumptions are also applied in this study. The literature review for this study has used various theories and concepts to evaluate the impact of independent variables on dependent variables. However, these theories have presented extensive information regarding these variables. However, these theories have not discussed how the changing perceptions of millennials affect organizations' ability to maintain the loyalty of these employees.

There are certain implications for managers, as it would be difficult for them to create a satisfaction level for every employee at an individual level. Additionally, they must face various challenges in developing HR policies while considering the benefits of the organization and those of the employees simultaneously.

Conclusion

The company is owned by Etisalat, a UAE-based company. The research study investigates the impact of various variables and factors on customer loyalty and retention. At first, the impact of human relations on employee retention is discussed, and it is stated that workplace relations have a greater impact on the employee's loyalty, as it can be seen that when employees have the opportunity to work together in teams. They have the opportunity to participate in the organization's decision-making process, as they can communicate openly.

This study empirically investigated the effects of innovation capability and knowledge sharing on the performance of startups, with a strong focus on the mediating role of knowledge sharing. The results demonstrated that innovation capability, particularly in the dimensions of risk-taking and resource utilization, has a positive influence on knowledge sharing, and that knowledge sharing, in turn, enhances both financial and non-financial performance. Furthermore, the mediating effect of knowledge sharing was confirmed in several relationships, most notably between resource utilization and performance, indicating its central strategic role in knowledge-based startup environments.

This research contributes to the entrepreneurship and innovation literature by empirically validating the structural link between innovation capability, knowledge sharing, and startup performance. By integrating knowledge sharing as a mediator, the study provides a more comprehensive understanding of how internal capabilities are translated into measurable outcomes. It also supports and extends the resource-based view (RBV) by demonstrating that intangible assets, such as creativity, risk management, and knowledge flow, are crucial to competitive performance in dynamic environments.

For practitioners, the findings underscore the importance of fostering organizational environments that promote knowledge exchange and the strategic utilization of internal resources. Startup leaders should invest in developing team creativity and facilitate systems that break down knowledge silos, especially during early growth stages. Knowledge-sharing mechanisms, such as mentorship, collaborative platforms, and cross-functional projects, can significantly enhance performance outcomes and adaptability in rapidly evolving market environments.

This study has several limitations. First, it is based on cross-sectional survey data, which limits causal interpretation. Second, the sample is limited to South Korean startups, which may affect the generalizability of the findings. Future research could expand the model to incorporate external knowledge sources (e.g., open innovation, alliances) or test the model longitudinally to capture changes over time. Additionally, qualitative or mixed-methods approaches may further enrich the understanding of how innovation capability is developed and shared across diverse organizational contexts.

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