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An Analysis on Leadership Behaviors, Organizational Culture and Knowledge Management Practices: An Empirical Investigation on Sme's, A.P India

Sudhamsetti Naveen M.B.A, N.E.T (Ph.D)[1]
[1]Assistant Professor, Universal College of Engineering &Technology A.P, India

Abstract: ***leaders are like drivers for any organization in order to run organization successfully. Leadership is the best quality, it have great impact on employee's productivity and their satisfaction. The present study helps to find out the effectiveness of leadership behavior and organization culture on knowledge management practices in sme's a.p, india. Data collection involved distributing a questionnaire to a total sample of 1,000members of smes in a.p, india. Structured questionnaire was prepared for this study. Data analysis has been done with selected statistical tool like confirmatory factor analysis (cfa).***
Key words: confirmatory factor analysis (cfa), transactional leadership, transformational leadership, frantic efforts

I. INTRODUCTION

A. Leadership

The term leadership is plays vital role in the present business scenario, it is believed that leadership plays a crucial role in organizations, and has a direct influence on group process and outcomes. This section presents a critical literature review on leadership and its crucial role for successful KM.

B. Definitions of Leadership

Leadership is difficult to define. The leadership is a common word taken from the regular vocabulary and incorporated into the technical vocabulary of a scientific discipline. As a consequence, there is actually no consensus on the definition of leadership; researchers often define leadership according to their individual perspectives and the aspects of the phenomenon of most interest to them. After a comprehensive review of leadership research, Stogdill (1974, p. 259) concluded that "there are almost as many definitions of leadership as there are persons who have attempted to define the concept". However, for the purpose of this research, the author focuses on the concept of leadership through a knowledge management perspective. Leadership, by its influence component, facilitates the implementation of knowledge activities in an organisation. Leadership initiates the process's beginning.

leadership has been defined in terms of group processes, influences, personality, compliance, particular behaviours, persuasion, power, goal achievement, interaction role differentiation, and a combination of two or more of these (Bass, 1990; Northouse, 2001; Yukl, 2006). In the literature, most definitions of leadership reflect the assumption that it involves a social influence process whereby intentional influence is exerted by one person over the others to structure the activities and relationships in a group or organisation. However, the numerous proposed definitions of leadership appear to have little else in common. The definition of leadership differs in who exerts the influence, the intended purpose of the influence, the manner in which the influence is exerted, and the outcome of the influence attempt (Yukl, 2006). These differences between researchers in their concepts of leadership have led to differences in the choice of the phenomena to investigate, as well as differences in the interpretation of the results. For example, Hemphill and Coons (as cited in Yukl, 2006, p. 2) defined leadership as "the behavior of an individual when he is directing the activities of a group toward a shared goal"; according to Robbins (2001) "leadership as the ability to influence a group toward the achievement of goals" (p. 314). Tosi, Rizzo, and Carroll (1994) suggested that "leadership is interpersonal influence in which one person is able to gain compliance from another in the direction of organisationally desired goals" (p. 550).

Defining leadership as a process means it is not the traits or characteristics that reside in the leader but rather it is a transactional event that occurs between the leader and his or her followers. The word process implies that a leader affects and is affected by the followers. As such, leadership can occur anywhere in the organisation. Indeed acts of leadership behaviours can be exhibited by anyone in an

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organisation and are not limited only to those holding designated positions (M. A. Hitt, et al., 2007; Northouse, 2001). Consequently, leadership behaviour is not confined to just the Chief Executive Officers (CEOs) of organisations. It can also be seen in the actions of the first-line supervisors who inspire their subordinates to implement safety procedures to avoid production downtime; it can even be exhibited by the workers who set an example for their co-workers by continually seeking ways to improve processes and working conditions.

Leadership must have influence, without influence of persons, leadership does not exist. Interpersonal influence is directed through communication, and the art of influencing is motivation and persuasion (DuBrin, 1998). If a leader wishes for his/her followers to accomplish a task, they clearly have to tell them what their job consists of and what is expected of them (Schermerhorn, 2001). For this reason, communication is a vital component. Leaders play an important role in improving communication through active listening, clarifying ideas, and changing culture and structure etc. In addition, as a means of getting people to do, a leader must motivate and show what is in it for them. Most people work because they want to satisfy their needs (Ribiere & Sitar, 2003). so it is important for leaders to identify that different persons are motivated by different activities, so different approaches may need to be used; for example, pay, bonuses, raises, and rewards, as well as job redesign, empowering employees, positive reinforcement, etc.; thus offering each individual what he/she desires.

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C. Transformational and Transactional Leadership Theory

Earlier leadership theories have contributed to an understanding of leadership and have laid the groundwork for the development of a fresh version of an effective leadership style.Transformational and transactional leadership theory. In the old approaches, leadership is viewed as management, with the emphasis on the vision of the leader and learning in the organisation. In the new approach, the focus is on motivation, inspiration, organizational commitment, and stimulating extra effort from followers. This section presents an overview of transformational and transactional leadership theory.

D. Transformational leadership

In recent years, the transformation and innovation of organisations have raised great concern (Bass, Jung, Avolio, & Berson, 2003; Coad & Berry, 1998). Leaders are making frantic efforts to change the structure and processes of all forms of organisations. Such efforts include downsizing, innovation, re-engineering, re-structuring or refocusing; re-structuring and innovation in an organisation requires strong leadership. As a result, leadership is increasingly changing from information and knowledge gate keeping to knowledge creation and knowledge sharing for all employees (Politis, 2002). Those who can guide their organisations to innovation are likely to exhibit transformational leadership (Bass & Avolio, 1993; Howell & Avolio, 1993).

Researchers have developed differing yet complementary definitions of transformational leadership. Burns (1978) defined transformational leaders as the process of pursuing collective goals through the mutual tapping of leaders' and followers' motive bases toward the achievement of the intended change. Followers are driven by moral needs, the need to champion a cause, or the need to take a higher moral stance on an issue; according to Burns, focussing on these needs makes leaders more accountable for their followers. People like to feel that a higher organisational spiritual mission guides their motives (Tichy Devanna, 1986). Bass, Avollo, and Goodheim (1987) suggest that transformational leadership motivates followers to work for transcendental goals and higher level self-actualizing needs rather than simple exchange relationships. These definitions suggest that transformational leaders create a dynamic organisational vision that often necessitates a metamorphosis in cultural values to reflect greater innovation.

E. Leadership and Knowledge Management

As previously described, leadership includes motivating people, shaping organisational objectives and maintaining the group and organisational culture; therefore, leaders have a direct impact on how the company approaches and deals with knowledge management (DeTienne, et al., 2004). Without effective leaders, who set appropriate examples, employees will not be motivated to participate in the knowledge management programs (DeTienne, et al., 2004; Lam, 2002). Leaders create conditions that allow participants to readily exercise and cultivate their knowledge-manipulation skills, to contribute their own individual knowledge resource to the organisation's pool of knowledge, and to have easy access to relevant knowledge (Crawford, 2005). The following is an overview of how leadership behaviours relate to knowledge management.

Drucker (1992) predicted over a decade ago that we were entering a knowledge society along with its respective knowledge economy and industry; the workforce would be rapidly dominated by knowledge workers, and managing them all effectively would be a substantial challenge for most leaders. Leading them can be done only through intellectual power, conviction, persuasion, and

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interactive dialogue (Ribiere & Sitar, 2003) as knowledge workers are not objects to be manipulated. Drucker (2002) noted that "knowledge workers may have a supervisor, but they are not subordinates. They are associates" (p. 12). They do not identify themselves as workers but as professionals. They are not doing things that are easily observable and also do not follow a set of predictable results (Drucker, 2001). Such knowledge workers have two main needs: formal education enabling them to enter knowledge work in the first place, and continuing education throughout their working lives to keep their knowledge up-to-date (Drucker, 2003). Thus, Politis (2002) suggests that the role of leadership is increasingly changing from information and knowledge gate-keeping to knowledge creation and knowledge sharing for all employees. The challenge for most leaders is to develop capacity in other by creating a climate in which acquiring and sharing knowledge is encouraged or even demanded.

As previously reviewed, knowledge has often been perceived as a source of power; people, thus, tend to have feelings of ownership and hoard knowledge. Many professionals have little respect for others outside of their field. Competition among professionals might result from seeking rewards and recognition. Vermaak and Weggeman (1999) point out that those professionals who do not develop and share their knowledge together rest on their laurels. Hence, the level of trust that exists between the organisation, its sub-units, and its employees greatly influences the amount of knowledge that flows between individuals and from individuals into the firm's database, into best practices achievement etc.(De Long & Fahey, 2000). Trust is fundamental for people to share their knowledge without the fear of becoming vulnerable. Leadership is key to building a trust-based culture by demonstrating concerns, keeping promises, morality, fairness, openness, honesty, discretion, consistency, integrity, accessibility, and delivering expected results (Ribiere & Sitar, 2003). Leaders,thus, can create psychological conditions and encourage people to be more accountable, more willing to be transparent, and to be less defensive (Fairholm, 1994). A strong, trusting leader is willing to take risks in empowering all members of the learning organisation by developing a shared vision, providing resources, delegating authority, celebrating success, and more importantly being a learning architect (W. D. Hitt, 1995). In contrast, incompetent or unethical leaders can quickly erode whatever trust exists within an organisation or team.

II. OBJECTIVES

This research has been devoted to understanding the link between the concepts like leadership and organization culture& the impact that such an association might have on KM. To address this gap, the following was investigated:

A. The relationship between transformational leadership behaviors and KM practices,

B. The relationship between transactional leadership behavior and KM practices, and

C. The moderating effect of organizational culture on the impact of leadership behaviors on KM practices

III. RESEARCH METHODOLOGY

The main objective of this research was to find out the relationship between leadership and KM practices, and to determine if organizational cultures moderate such relationships between leadership and KM. Therefore, the research design was based on the theoretical framework, and empirical evidence

A questionnaire survey was administered to a sample of SMEs operating in A.P, INDIA. It seek to investigate the understanding nature of managers regarding leadership behaviors, organizational culture, and KM practices within their organizations. Data collection involved distributing a questionnaire to a total sample of 1,000 SMEs in A.P, INDIA.

Multivariate statistics were employed to quantitatively analyze the data collected from the questionnaire survey. Confirmatory Factor Analysis (CFA) was employed to test the proposed hypotheses to answer the research questions concerning the relationship among leadership behaviors, organizational culture, and KM. Additionally, moderated regression analyses were performed to test the moderating effects of organizational culture on the association between leadership behaviors and knowledge management practices.

A. Description of the Sample

The population of this study consisted of approximately 1,000 managers in various SMEs in A.P,INDIA. Respondents came from a variety of business and organisational levels, geographic locations, backgrounds, and ages. Potential respondents were identified through the organisation's information from the list of profitable Small to Medium Sized Enterprises (SMEs) operating in A.P,INDIA sourced from Business Who's Who of A.P,INDIA database. This study was focused on people who occupy management positions as they frequently interact with organizational members of various departments and job levels, and have a good knowledge of organizational members, knowledge management practices within organizations, and a more holistic view of the organization as a whole.

Respondents received follow-up notices until 157 completed valid questionnaires were received; this reflects an effective

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survey responses rate of 15.7%. The summary of demographic characteristics, presented in Table 1-1, described by type of business, number of employees, number of years with organisations, and positions in organisation.

Table 1-1 Frequencies of Demographic Variables

	Frequency	Percentage (%)
Business		
Finance	13	8.3
Health	4	2.5
Engineering	28	17.8
Education	20	12.7
Services	17	10.8
Information Technology	17	10.8
Other	58	36.9
Employees Numbers		
20 and less	30	19.1
21-50	25	15.9
51-100	34	21.7
101-200	16	10.2
201-500	52	33.1
Year with Organisations		
1-5	73	46.5
6-10	31	19.7
11-20	40	25.5
Over 21	13	8.3
Position in Organisation		
Senior management	51	32.5
Middle management	72	45.9
Line management	34	21.7
Work Member		
Team leader	109	69.4
Team member	48	30.6

The majority of respondents for this study were at senior and middle management level, accounting for 32.5% and 44.9% respectively; 21.7% of respondent had been working at line management level. The demographic summary also reported 69.4% of the respondent mainly worked as a team leader, and 30.6% worked as a team member in the current organization.

IV. ANALYSIS OF DATA

The main purpose of the descriptive data analysis, as presented in this chapter, was to provide an understanding of the characteristics of the data collected from the questionnaire survey of SMEs. Firstly, examining the profiles of the 157 respondents revealed that the opinions given by these respondents provided reliable and unbiased information according to their current positions, and the characteristics of the firms by which they were employed. The data set was screened and found to have an acceptable normal distribution, without extreme outliers. A further assessment for standard deviation and standard error of the mean indicated that a mean value could be used as a representative score for each variable, and that the sample used in the study sufficiently represented the populations

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Table 1-2 Descriptive statistics for the 'transformational leadership behaviours' variables

	Variable Description	Missing Values	Cases with |z| > 3.29	Mean	5%Trimmed Mean	Δ Mean*	
LD2	Re-examines critical assumptions to question whether they are appropriate	0.00%	0.00%	2.53	2.55	-0.02	0
LD6	Talks about his/her most important values and beliefs	0.00%	0.00%	1.93	1.92	0.01	1
LD8	Seeks differing perspectives when solving problems	0.00%	0.00%	2.51	2.55	-0.04	1
LD9	Talks optimistically about the future	0.00%	0.00%	3.05	3.11	-0.06	0
LD10	Instills pride in me for being associated with him/her	0.00%	0.00%	2.57	2.62	-0.05	1
LD13	Talks enthusiastically about what needs to be accomplished	0.00%	0.00%	2.87	2.91	-0.04	0
LD14	Specifies the importance of having a strong sense of purpose	0.00%	0.00%	2.57	2.62	-0.05	1
LD15	Spends time coaching	0.00%	0.00%	1.82	1.80	0.02	1
LD18	Goes beyond self-interest for the good of the group	0.00%	0.00%	2.60	2.65	-0.05	1
LD19	Treats me as an individual rather than just a member of a group	0.00%	0.00%	3.02	3.11	-0.09	1
LD21	Acts in the way that builds my respect	0.00%	0.00%	2.75	2.80	-0.05	0
LD23	Considers the moral and ethical consequences of decisions	0.00%	0.00%	2.76	2.82	-0.06	1
LD25	Displays a sense of power and confidence	0.00%	0.00%	2.96	3.04	-0.08	0
LD26	Articulates a compelling vision of the future	0.00%	0.00%	2.64	2.70	-0.06	1
LD29	Considers me as having different needs, abilities, and aspirations from others	0.00%	0.00%	2.24	2.26	-0.02	1
LD30	Gets me to look at problems from many different angles	0.00%	0.00%	2.38	2.41	-0.03	1
LD31	Helps me to develop my strengths	0.00%	0.00%	2.49	2.54	-0.05	1
LD32	Suggests new ways of looking at how to complete assignments	0.00%	0.00%	2.29	2.31	-0.02	0
LD34	Emphasizes the importance of having a collective sense of mission	0.00%	0.00%	2.51	2.55	-0.04	1
LD36	Expresses confidence that goals will be achieved	0.00%	0.00%	2.88	2.95	-0.07	0

Δ Mean* = Mean – 5% trimmed mean; Standard deviation (SD); Standard error of mean (SE)

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Table 1-3 Descriptive statistics for the 'transactional leadership behaviors' variables

	Variable Description	Missing Values	Cases with |z| > 3.29	Mean	5%Trimmed Mean	Δ Mean*	
LD1	Provides me with assistance in exchange for my efforts	0.00%	0.00%	2.83	2.89	-0.06	0
LD3	Fails to interfere until problems become serious	0.00%	0.00%	2.27	2.30	-0.03	1
LD4	Focuses attention on irregularities, mistakes, and deviations from standards	0.00%	0.00%	1.91	1.90	0.01	1
LD5	Avoids getting involved when important issues arise	0.00%	0.00%	3.18	3.26	-0.08	1
LD7	Is absent when needed	0.00%	0.00%	3.00	3.07	-0.07	1
LD11	Discusses in specific terms who is responsible for achieving performance targets	0.00%	0.00%	2.39	2.43	-0.04	1
LD12	Waits for things to go wrong before taking actions	0.00%	0.00%	2.82	2.89	-0.07	1
LD16	Makes clear what one can expect to receive when performance goals are achieved	0.00%	0.00%	2.03	2.04	-0.01	1
LD17	Shows that he/she is a firm believer in "if it ain't broke, don't fix it"	0.00%	0.00%	2.21	2.23	-0.02	1
LD20	Demonstrates that problems must become chronic before taking action	0.00%	0.00%	2.89	2.97	-0.08	1
LD22	Concentrates his/her full attention on dealing with mistakes, complaints and failures	0.00%	0.00%	1.76	1.74	0.02	1
LD24	Keeps track of all mistakes	0.00%	0.00%	2.33	2.36	-0.03	1
LD27	Directs my attention toward failures to meet standards	0.00%	0.00%	2.27	2.30	-0.03	1
LD28	Avoids making decisions	0.00%	0.00%	3.10	3.17	-0.07	0
LD33	Delays responding to urgent questions	0.00%	0.00%	2.84	2.89	-0.05	1
LD35	Expresses satisfaction when I meet expectations	0.00%	0.00%	2.89	2.94	-0.05	1

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Table 1-4 Descriptive statistics for the 'organizational culture' variables

	Variable Description	Missing Values	Cases with |z|	Mean	5%Trimmed Mean	Δ Mean*	
OC1	Decisions are usually made at the level where the best information is available	0.00%	0.00%	3.76	3.81	-0.05	0
OC2	Information is widely shared so that everyone can get it	0.00%	0.00%	3.42	3.45	-0.03	1
OC3	Everyone believes that he or she can have a positive impact	0.00%	0.00%	3.69	3.72	-0.03	0
OC4	Working is like being a part of a team	0.00%	0.00%	3.8	3.86	-0.06	1
OC5	We rely on coordination to get work done, rather than hierarchy	0.00%	0.00%	3.87	3.94	-0.07	1
OC6	Teams are the primary building blocks of this organisation	0.00%	0.00%	3.77	3.83	-0.06	1
OC7	We constantly improve compared with our competitors	0.00%	0.00%	3.66	3.68	-0.02	0
OC8	We continue to invest in the skills of employees	0.00%	0.00%	3.65	3.72	-0.07	1
OC9	The capability of people is viewed as an important source of competitive advantage	0.00%	0.00%	3.94	4.02	-0.08	1
OC10	Leaders and managers follow the guidelines that they set for the rest of the organisation	0.00%	0.00%	3.68	3.72	-0.04	0
OC11	There is a clear and consistent set of values that governs the way we do business	0.00%	0.00%	3.94	4.01	-0.07	1
OC12	Ethical codes guide our behaviours	0.00%	0.00%	3.92	3.98	-0.06	1
OC13	When disagreements occur, we work hard to achieve solutions that benefit both parties	0.00%	0.00%	3.87	3.91	-0.04	0
OC14	It is easy to reach consensus, even on difficult issues	0.00%	0.00%	3.33	3.35	-0.02	0
OC15	We often have trouble reaching agreement on key issues	0.00%	0.00%	3.19	3.21	-0.02	1
OC16	People from different organisational units still share a common perspective	0.00%	0.00%	3.49	3.51	-0.02	0
OC17	It is easy to coordinate projects across functional units in this organisation	0.00%	0.00%	3.29	3.32	-0.03	1
OC18	There is good alignment of goals across levels of this organisation	0.00%	0.00%	3.64	3.68	-0.04	1
OC19	We are very responsive	0.00%	0.00%	3.89	3.96	-0.07	0
OC20	We respond well to competitors and other changes	0.00%	0.00%	3.72	3.76	-0.04	0
OC21	We continually adopt new and improved ways to do work	0.00%	0.00%	3.68	3.72	-0.04	0
OC22	Customer comments and recommendations often lead to changes	0.00%	0.00%	3.71	3.76	-0.05	0
OC23	Customer input directly influences our decisions	0.00%	0.00%	3.56	3.61	-0.05	1
OC24	The interests of the final customer often get ignored in our decisions	0.00%	0.00%	3.71	3.74	-0.03	0
OC25	We view failure as an opportunity for learning and improvement	0.00%	0.00%	3.69	3.75	-0.06	0
OC26	We encourage and reward those who take risk	0.00%	0.00%	3.24	3.27	-0.03	0
OC27	We make certain that we coordinate our actions and efforts between different units	0.00%	0.00%	3.45	3.48	-0.03	0
OC28	There is a long-term purpose and direction	0.00%	0.65%	3.93	4.03	-0.1	1
OC29	There is a clear mission that gives meaning and direction to our work	0.00%	0.00%	3.83	3.92	-0.09	1
OC30	There is a clear strategy for the future	0.00%	0.00%	3.69	3.77	-0.08	1
OC31	There is widespread agreement about goals of this organisation	0.00%	0.00%	3.68	3.74	-0.06	1
OC32	Leaders of this organisation set goals that are ambitious, but realistic	0.00%	0.65%	3.71	3.79	-0.08	1
OC33	The leadership has clearly stated the objectives we are trying to meet	0.00%	0.00%	3.77	3.85	-0.08	1
OC34	We have a shared vision of what this organisation will be like in the future	0.00%	0.00%	3.58	3.64	-0.06	1
OC35	Leaders of our organisation have a long-term orientation	0.00%	0.00%	3.73	3.81	-0.08	1
OC36	Our vision creates excitement and motivation for our employees	0.00%	0.00%	3.43	3.48	-0.05	1

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Table 1-5 Descriptive statistics for the 'knowledge management' variables

	value discription	Missing values	Cases with |z|	Mean	5%Trimmed	Δ Mean*	
KM2	Learning by doing	0.00%	0.00%	4.18	4.22	-0.04	0
KM3	On-the-job training	0.00%	0.00%	3.89	3.95	-0.06	0
KM4	Learning by observation	0.00%	0.00%	3.6	3.62	-0.02	0
KM5	Face-to-face meeting	0.00%	0.00%	3.69	3.72	-0.03	0
KM6	The use of apprentices and mentors to transfer knowledge	0.00%	0.00%	3.06	3.06	0	1
KM7	Brainstorming retreats or camps	0.00%	0.00%	2.2	2.14	0.06	1
KM8	Employee rotation across areas	0.00%	0.00%	2.49	2.44	0.05	1
KM9	Cooperative projects across directorates	0.00%	0.00%	2.68	2.69	-0.01	0
KM10	Repositories of information, best practices, and lessons learned Web pages (Intranet and Internet) Databases	0.00%	0.00%	3.04	3.04	0	1
KM11	Modeling based on analogies	0.00%	0.00%	3.39	3.44	-0.05	1
KM12	Capture and transfer of experts' knowledge	0.00%	0.00%	3.36	3.4	-0.04	1
KM13	Decision support systems	0.00%	0.00%	2.46	2.44	0.02	1
KM14	Pointers to expertise (skill "yellow pages")	0.00%	0.00%	3	3	0	1
KM15	Chat group/web-based discussion groups	0.00%	0.00%	2.69	2.67	0.02	1
KM16	Groupware and other team collaboration tools	0.00%	0.00%	2.53	2.48	0.05	1

A. Assessing Measurement Model-Cfa Analysis

1) *Transformational Leadership Behaviors Confirmation Measurement:* In this study, the CFA was performed on each construct using AMOS (version 16.0) program, which is an extension program to SPSS. As default in AMOS, the covariance matrix was automatically used as an input data set (Shah & Goldstein, 2006). The results of each construct are presented in Tables 1-6 through to 1-9. The factor loadings, *t*-value and significant level of each variable, shown in the tables, provide a measure for the convergent validity; the value of R^2 provides a measure with which to assess the reliability of the variables; the value of correlation between the factors provides an indication of the discriminant validity. The model fit indices are also presented for the purpose of unidimensional assessment.

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Table 1-6 CFA results of transformational leadership behaviours

	Variable Description	Factor Loading	*t*-value	R^2
	Idealised Influence Attributed (IIA)			
LD10	Instills pride in me for being associated with him/her	0.66	5.632***	0.44
LD18	Goes beyond self-interest for the good of the group	0.64	5.382***	0.41
LD25	Displays a sense of power and confidence	0.58	f.p.	0.31
	Idealised Influence Behaviours (IIB)			
LD6	Talks about his/her most important values and beliefs	0.51	6.149***	0.26
LD14	Specifies the importance of having a strong sense of purpose	0.70	8.410***	0.49
LD23	Considers the moral and ethical consequences of decisions	0.66	8.283***	0.44
LD34	Emphasizes the importance of having a collective sense of mission	0.74	f.p.	0.65
	Inspirational Motivation (IM)			
LD9	Talks optimistically about the future	0.67	7.945***	0.45
LD13	Talks enthusiastically about what needs to be accomplished	0.77	8.835***	0.59
LD26	Articulates a compelling vision of the future	0.75	8.850***	0.56
LD36	Expresses confidence that goals will be achieved	0.71	f.p.	0.50
	Intellectual Stimulation (IS)			
LD2	Re-examines critical assumptions to question whether they are appropriate	0.66	6.889***	0.35
LD30	Gets me to look at problems from many different angles	0.64	8.778***	0.58
LD32	Suggests new ways of looking at how to complete assignments	0.58	f.p	0.57
	Individual Consideration (IC)			
LD15	Spends time coaching	0.75	9.649***	0.56
LD31	Helps me to develop my strengths	0.84	f.p.	0.71

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Table 1-7 CFA results of transactional leadership behaviors

	Variable Description	Factor Loading	*t*-value	R^2
	Contingent reward (CR)			
LD1	Provides me with assistance in exchange for my efforts	0.63	5.803***	0.4
LD11	Discusses in specific terms who is responsible for achieving performance targets	0.6	5.634***	0.36
LD16	Makes clear what one can expect to receive when performance goals are achieved	0.79	6.416***	0.62
LD35	Expresses satisfaction when I meet expectations	0.59	f.p.	0.35
	Management by exception – active (MBEA)			
LD4	Focuses attention on irregularities, mistakes, and deviations from standards	0.71	6.912***	0.5
LD22	Concentrates his/her full attention on dealing with mistakes, complaints and failures	0.45	4.801***	0.22
LD24	Keeps track of all mistakes	0.65	6.578***	0.42
LD27	Directs my attention toward failures to meet standards	0.76	f.p.	0.59
	Management by exception – passive (MBEP)			
LD3	Fails to interfere until problems become serious	0.47	5.361***	0.22
	Waits for things to go wrong before taking actions	0.87	9.239***	0.45
LD12	Shows that he/she is a firm believer in “if it ain’t broke, don’t fix it”	0.4	3.446***	0.25
LD17	Demonstrates that problems must become chronic before taking action	0.71	f.p.	0.51
	Lasses-faire (LF)			
LD5	Avoids getting involved when important issues arise	0.67	5.886***	0.38
LD7	Is absent when needed	0.76	6.190***	0.45
LD28	Avoids making decisions	0.62	6.658***	0.58
LD33	Delays responding to urgent questions	0.57	f.p.	0.38

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Table 1-8 CFA result of Organizational Culture

	Variable Description	Factor Loading	*t*-value	R^2
	Involvement (INV)			
OC1	Decisions are usually made at the level where the best information is available	0.73	9.825***	0.54
OC2	Information is widely shared so that everyone can get it	0.73	9.781***	0.53
OC3	Everyone believes that he or she can have a positive impact	0.73	9.750***	0.53
OC4	Working is like being a part of a team	0.80	10.992***	0.64
OC5	We rely on coordination to get work done, rather than hierarchy	0.77	10.508***	0.60
OC6	Teams are the primary building blocks of this organisation	0.74	9.886***	0.54
OC7	We constantly improve compared with our competitors	0.62	8.101***	0.32
OC8	We continue to invest in the skills of employees	0.67	8.838***	0.46
OC9	The capability of people is viewed as an important source of competitive advantage	0.66	f.p.	0.61
	Consistency (CON)			
OC10	Leaders and managers follow the guidelines that they set for the rest of the organisation	0.70	9.941***	0.49
OC11	There is a clear and consistent set of values that governs the way we do business	0.70	11.613***	0.61
OC12	Ethical codes guide our behaviours	0.78	9.973***	0.49
OC13	When disagreements occur, we work hard to achieve solutions that benefit both parties	0.73	10.547***	0.53
OC14	It is easy to reach consensus, even on difficult issues	0.66	9.203***	0.44
OC15	We often have trouble reaching agreement on key issues	0.44	5.594***	0.19
OC16	People from different organisational units still share a common perspective	0.69	9.739***	0.49
OC17	It is easy to coordinate projects across functional units in this organisation	0.69	9.681***	0.47
OC18	There is good alignment of goals across levels of this organisation	0.64	f.p.	0.70
	Adaptability (ADP)			
OC19	We are very responsive	0.73	9.572***	0.54
OC20	We respond well to competitors and other changes	0.71	9.176***	0.50
OC21	We continually adopt new and improved ways to do work	0.76	10.042***	0.58
OC22	Customer comments and recommendations often lead to changes	0.56	7.049***	0.31
OC23	Customer input directly influences our decisions	0.44	5.460***	0.20
OC24	The interests of the final customer often get ignored in our decisions	0.49	5.025***	0.24
OC25	We view failure as an opportunity for learning and improvement	0.71	9.182***	0.50
OC26	We encourage and reward those who take risk	0.56	7.095***	0.32
OC27	We make certain that we coordinate our actions and efforts between different units	0.76	f.p.	0.63
	Mission (MIS)			
OC28	There is a long-term purpose and direction	0.81	11.535***	0.65
OC29	There is a clear mission that gives meaning and direction to our work	0.86	12.660***	0.75
OC30	There is a clear strategy for the future	0.90	13.438***	0.81
OC31	There is widespread agreement about goals of this organisation	0.88	12.954***	0.77
OC32	Leaders of this organisation set goals that are ambitious, but realistic	0.83	11.963***	0.69
OC33	The leadership has clearly stated the objectives we are trying to meet	0.83	11.910***	0.69
OC34	We have a shared vision of what this organisation will be like in the future	0.83	11.946***	0.69
OC35	Leaders of our organisation have a long-term orientation	0.81	11.611***	0.66
OC36	Our vision creates excitement and motivation for our employees	0.79	f.p.	0.66

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Table 1-9 CFA results of KM Practices

Vari	Variable Description	Factor Loading	*t*-value	R^2
	Internalisation (IN)			
KM2	On-the-job training	0.47	3.345***	0.34
KM3	Learning by observation	0.54	3.800***	0.39
KM4	Face-to-face meeting	0.59	f.p.	0.35
	Socialisation (SO)			
KM6	Brainstorming retreats or camps	0.55	5.975***	0.31
KM7	Employee rotation across areas	0.65	6.814***	0.49
KM8	Cooperative projects across directorates	0.81	f.p.	0.65
	Externalisation (EX)			
KM9	Repositories of information, best practices, and lessons learned	0.65	7.974***	0.42
KM10	Web pages (Intranet and Internet)	0.79	9.851***	0.62
KM11	Databases	0.83	f.p.	0.78
	Combination (CO)			
KM12	Modelling based on analogies	0.68	f.p.	0.46
KM13	Capture and transfer of experts' knowledge	0.73	7.815***	0.54
KM14	Decision support systems	0.66	7.139***	0.44
KM15	Pointers to expertise (skill "yellow pages")	0.71	7.568***	0.59

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Table 1-10Summary of assessing measurement model result

Construct	Item(s) removed	Factor Extracted	Cronbach's Alpha	Cumulative Variance	Factors
Transformational Leadership (TF)	LD6, LD8, LD21 LD25, LD32	2	0.917	49.92%	TF1: Attributed charisma (9 vari TF2: Individualised consideratio
Transactional Leadership (TA)		4	0.799	68.35%	TA1: Contingent reward (4 varia TA2: Management-by-exception TA3: Management-by-exception TA4: Laissez-faire (4 variables)
Organisational Culture (OC)	OC5, OC7, OC9, OC10, OC11, OC12, OC15, OC26, OC27	3	0.968	54.77%	OC1: Adaptability (7 variables) OC2: Mission (10 variables) OC3: Hierarchy (10 variables)
KM Practices (KM)	KM9, KM14	3	0.862	52.91%	KM1: Exchange (7 variables) KM2: Socialisation (5 variables) KM3: Internalisation (3 variable

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V. MAJOR RESEARCH FINDINGS DISCUSSION

Although both transformational and transactional leadership have been independently linked to organisational learning, innovation, and knowledge management in a variety of settings (Castiglione, 2006; Chang & Lee, 2007; Crawford, 2005; Politis, 2005, 2006), previous studies have not fully considered the interactive effects of organisational context and culture on leadership. This study used to explore how leadership behaviors relate to knowledge management in different types of organisational culture. Overall, the results of this present study supported many of the proposed relationships. Specifically, it was found that transformational and transactional leadership behaviours were found to be related to knowledge management practices within organisations. The results also demonstrated that whilst organisational culture does not moderate the effect of transformational leadership on knowledge management, transactional leadership appears to be less effective in organisations that are rated high in the hierarchy and mission cultures.

VI. CONCLUSION

Leadership, organizational culture and knowledge management are major contemporary business topics. They are considered to be the important factors for business survival in this global competitive market environment. Research related to these topics can be found in many professional journals, yet, no research has examined the relationships among leadership behaviours, organisational culture, and knowledge managementpractices. This study is, therefore, useful in helping to fill this gap. More specifically, this study aimed at investigating the relationship between leadership behaviours and knowledge management, and interaction of organisational culture on such relationships. To achieve the aims of the study, a research model comprising four concepts transformational leadership, transactional leadership, organisational culture, and knowledge management practices, was developed. The research model and hypotheses were assessed using a series of quantitative techniques, specifically, , Confirmatory Factor Analysis (CFA),. was conducted based on the data obtained from a questionnaire survey of SMEs. It is suggested that leaders must build trust, encourage in questioning & facilitate experimental learning of knowledge. Finally, this thesis is closes with recommended future research directions which hopefully would help pave the way for researchers willing to enhance and extend the findings of this research study.

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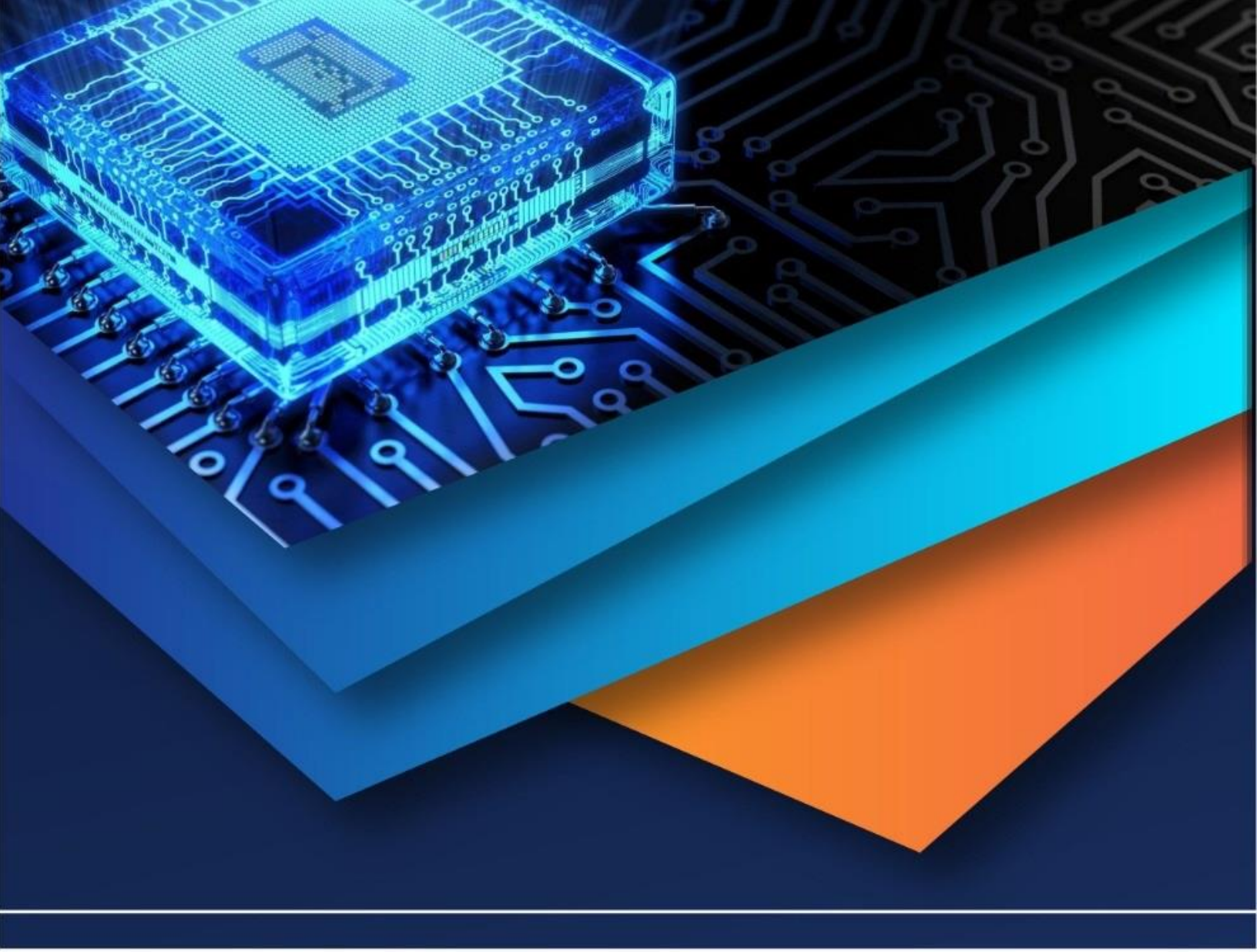

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