Effects of Knowledge Leadership Behaviour in KM Applications

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Abstract— The challenge facing knowledge management professionals is how to leverage knowledge for improving organisational performance. The purpose of this paper is to investigate the relationship as well as the impact of leadership styles on knowledge management (KM) practices. It is imperative for employees to engage in knowledge sharing among themselves, considering its potential impact on enhancing the effectiveness of organisations. In relation to KM, the Kouzes and Posner model of leadership is useful in identifying how to get others to want to do things that matter, namely KM implementation. Since leadership is perceived to be 'a process between those who choose to lead and those who choose to follow', this paper will explore how reciprocal processes occur in the knowledge sharing context. This study will aim to identify the influence of personal orientation coupled with leadership traits that would create intention towards using KM in employees, thus providing a guideline for leadership practices in KM implementation.

Keywords— Knowledge Management, Leadership Behaviour, Organisational Performance

I. INTRODUCTION

KNOWLEDGE management (KM) is a dominant theme in the behaviour of contemporary organisations. We are now moving steadily from an information age to a knowledge age, where knowledge has been recognised as the most important aspect in human life. Individuals and organisations are starting to understand and appreciate knowledge as the most valued asset in the emerging competitive environment. Knowledge is a powerful tool that can make changes to the world. It is now considered as the main intangible ingredient in the melting pot that makes innovation possible [1]. In an article that appeared in the Harvard Business Review, Nonaka began with the simple introductory words: "In an economy where the only certainty is uncertainty, the one sure source of lasting competitive advantage is knowledge" [2].

KM is not just about classifying knowledge and building IT-focused systems in order to store, search, retrieve, and visualise it. Rather, KM is more about identifying tacit knowledge and knowledge users and matching them to work processes so that knowledge is directed to those who need to apply it with the result that value is added to the organisation [3].

In this view, knowledge flow is the movement of knowledge from repositories; for tacit knowledge, this is usually people, to those who need to use the knowledge to accomplish some task. According to Rollett, these principles reflect the key issues in KM. The first reflects that tacit knowledge is "sticky," meaning that it is difficult to pass from a knower to someone who needs to learn but does not necessarily possess the context of understanding needed to assimilate the knowledge. The second reflects that knowers can apply knowledge to solving problems and performing tasks that are of value to the organisation; it illustrates that knowledge has value. The third reflects the process needed to flow knowledge from a knower to a knowledge user. Knowledge flow can be defined as the dynamic movement of knowledge between coordinates (between individuals or organisations, or points in space or time) [4].

It is necessary for companies to organise their knowledge in order to succeed in today's economy. This is also consistent with the knowledge-based view of companies: knowledge would help a company maintain its competitive advantage. However, knowledge is kept in the human brain as well as in documents, and it has been suggested that people tend to turn to other people for information rather than to documents and intranets [5] [6]. What is more, knowledge sharing is needed when people attempt to solve complicated or unstructured problems. Thus, knowledge sharing between employees is quite a significant issue, considering its potential impact on enhancing the effectiveness of firms.

Recently, many researchers acknowledge the importance of leadership in knowledge management. However, relatively little attention has been paid to the detailed processes by which leadership style would exert an impact on knowledge-management activities [7].

Anantatmula claims that "leveraging knowledge, particularly tacit knowledge, is the key to sustained competitive advantage in the future"[8]. Lakshman emphasises that "Knowledge is nothing without people. People have knowledge, develop it and act on the basis of it. Data can be transmitted, information can be shared, but knowledge is an attribute of people, or communities or societies"[9]. Knowledge only exists because of people. Knowledge comes as a person uses information and combines it with their personal experience. Much of the knowledge one acquires and gathers in one's head has its own value, and it is that which makes each of us unique and

valuable to society as a whole and to organisations. Aramburu, et.al have also suggested that the two greatest assets that companies have are the people that work with them and knowledge in their workers' heads [10].

II. KNOWLEDGE LEADERSHIP BEHAVIOUR

In Knowledge Leadership we witness the dawning of a new era in which individuals are "leading" rather than managing knowledge. In the past, many knowledge-based initiatives have failed because leaders underestimated the powerful link between knowledge and performance improvement – and also because they mistakenly thought that "information" was the same as knowledge. While information is a necessary precursor to knowledge, it is not sufficient in itself for improving business performance. Notable organisations that use the pragmatic knowledge strategies have indeed gained competitive advantage. Pragmatic knowledge is the result of individuals' developing a deeper understanding of how (and why) things work best in practice.

The general beliefs of the 1980s and 1990s that organisations need only one knowledge leader to make the process work successfully is erroneous in the context of present day global world order. On the contrary, the thinking is such that the knowledge leadership should be evident throughout the organisation and it should operate at all hierarchical levels.

The role of a knowledge leader is to provide strategic visions, motivate others, effectively communicate, act as a change agent, coach others around, model good practices, and carry out the knowledge agenda [11]. Moreover, it is also understood that knowledge leaders should religiously explain the goals of knowledge management to all concerned so that people can identify their roles in achieving those goals. They need to provide guidance on any change taking place in the processes and also priorities needed to reach those goals [11].

The knowledge leader's strategic leadership behaviours operate from an understanding of the core business issues and how they relate to the values of that organisation. Therefore, the visionary leadership needs to operate at two levels: tactical and futuristic [12]. The enthusiasm, drive, and energy of the knowledge leaders play a major role in building commitment from others around. Hence, the nature of the knowledge management practices requires continual support on the part of the leaders to ensure that the value and outcomes of knowledge management are held firmly in contributors' minds. Kouzes and Posner believe that leadership, apart from possessing the ability to establish predictable and stable processes, needs to encourage innovation and creativity [12]. Therefore, the knowledge leaders must have a sound understanding of people, processes, systems and business principles which shape business decisions in the organisation.

Knowledge leadership is based on relationship building, with a need to constantly network, listen and act on messages received from others around [9]. Moreover, the knowledge leaders encourage organisation members to contribute through ongoing contact with those members, relationship building, recognition of individual contributions, and providing avenues of opportunities for growth and development.

Similarly, Kouzes and Posner believe that leaders motivate people by ensuring that the audience can relate to the corporate visions and also by involving them in the developmental processes [12]. It is also believed that knowledge leaders should encourage others to take leadership roles, so that important messages are transmitted from multiple sources [9].

Finally, knowledge leadership, like other forms of leadership, relies on communication and they fulfil the important roles of both collaborator and catalyst for those working with new concepts and strategies [12]. It is true in every organisation that leaders set the examples for others, therefore it is assumed that leaders have direct impact on how the companies should approach and deal with knowledge management processes as well as practices. Moreover, if knowledge management does not permeate to all levels in the organisation, beginning at the top, it is unlikely that knowledge management programs will ever catch on or be effective.

While leaders across all the levels of organisation have unique and important role to play in managing knowledge, it is particularly important for the senior management to be involved in knowledge-sharing processes. Furthermore, it is to be noted that if the boss takes knowledge seriously, the rest of the company will follow automatically.

Even companies with promising cultures and highly effective incentive programmes will not succeed without having dedicated and responsible managers. The sole responsibility of top echelons of the company in knowledge management process is to motivate all its employees, provide them with equal opportunities and developmental avenues, and scientifically measure and reward those performances, behaviours and attitudes that are required for effective knowledge management.

Therefore, it is to be noted that the management thinkers in the area of knowledge management should give importance to leaders and especially to their leadership styles in making things happen for knowledge management processes and practices to flourish. It seems as if that leadership is a cardinal thread that runs through whole gamut of the knowledge management initiatives in an organisation.

III. LEADERSHIP PRACTICES IN THE CONTEXT OF KM APPLICATION

The model used is the Kouzes and Posner *Five Leadership Practices*, developed in the last 15 years from original work by Tom Peters. In *The Five Practices of Exemplary Leadership*, Jim Kouzes and Barry Posner, authors of *The Leadership Challenge and Credibility*, uncover the fundamental practices that have enabled leaders to get extraordinary things done by studying the times when leaders performed at their personal best [11] (Kouzes and Posner, 2007).

This model argues, based on a research project with successful leaders, that they must demonstrate at least some of at five key 'practices' to be successful. Kouzes and Posner advocate leading ordinary people in accomplishing the extraordinary!

They explore how do leaders get others to follow them to places they have never been before. They also discuss how leaders get others, by free will and through free choice, to move forward together on a common purpose. In relation to KM, this model of leadership would be useful to study how to get others to want to do things that matter and make a difference [12].

The model is based on solid research Kouzes and Pozner, combining two perspectives which were gathered over an initial five year period. The research involved asking leaders and followers questions around:

- what qualities individual leaders believed they needed when they were at their most successful
- what qualities those who were being led believed were important when they felt themselves being well led

Analysis of the data revealed an underlying pattern of agreement – between leaders and those being led – about the leadership behaviours that emerged when people were accomplishing extraordinary things in organisations. These were then codified as the five practices of leadership.

When working at their best leaders said they challenged, inspired, enabled, modelled and encouraged. And they did this through committing themselves to particular sets of behaviour linked to these values. Importantly Kouzes and Posner argued that these leadership behaviours were an observable and learnable set of practices, available to anyone prepared to spend time developing them.

Figure 1 outlines the research model used for this study:

FIGURE 1: RESEARCH FRAMEWORK FOR THE STUDY

The five practices and their implications for leaders are as follows:

A. Model the Way

Modelling means being prepared to go first, living the behaviours you want others to adopt before asking them to adopt them. People will believe not what they hear leaders say, but what they see their leaders consistently do. Great leaders should serve as an example to others:

- *Set an example for others by behaving in ways that are consistent with your stated values*
- *Plan small wins that promote consistent progress and build*

KM Application:

- o Does the leader tighten his own belt before asking others to cut back on expenditure?
- o If the organisation is in fundraising, do the leaders donate to their own cause as an example of modelling the way for donors?

B. Inspire a Shared Vision

Kouzes and Posner found in their research that people are motivated most not by fear or reward, but by ideas that capture their imagination. This is not so much about *having* a vision, but *communicating* it effectively so that others take it on board. Great leaders are future orientated and seek to energise others by passion, enthusiasm and emotion. They want to bring people on board with this sense of shared purpose. They will:

- *Envision an uplifting and ennobling future*
- *Enlist others in a common vision by appealing to their values, interests, hopes and dreams*

KM Application:

- o It is easy to concentrate too much on crafting the perfect words for a vision and mission statement, and not enough on communicating it.
- o Can the staff repeat – or even remember – their organisation's mission?
- o How hard do they try to share it with others?

C. Challenge the Process

The research found that leaders thrive on and learn from adversity and difficult situations. They are risk takers who regard failure – where not caused by poor performance – as a useful chance to learn and innovate. They are also early adopters of innovation. They seek out things that appear to work and then insist that they are improved. This practice suggests that we shouldn't be content to do 'business as usual'. A leader needs to:

- *Seek challenging opportunities to change, grow, innovate, and improve*
- *Experiment, take risks, and learn from the accompanying mistakes*

KM Application:

- o Consider whether the staff are able to challenge any part of their organisation's work.

o How many ideas does the organisation have to implement?

o Are the staff prepared to take risks?

D. Enable Others to Act

Leaders do not seek to achieve it all themselves – they achieve results through others. However, they do this not by simply repeating the vision mantra – encouragement and exhortation is not enough. People must feel able to act and then must be supported to put their ideas into action. Collaboration and relationship-based work is central to success. A leader needs to:

• *Foster collaboration by promoting co-operative goals and building trust*

• *Strengthen others by sharing information and power and by increasing their discretion and visibility*

KM Application:

o Who in the team or organisation needs help and encouragement to act?

o What would help them to act?

E. Encourage the Heart

Finally Kouzes and Posner established that people act best of all when they are passionate about what they're doing. Leaders unleash the enthusiasm of their followers with stories and passions of their own. They enjoy celebrating successes – even small ones – and will tend to tackle difficult projects through recognising others' contributions. They:

• *Recognise individual contributions to the success of every project*

• *Celebrate team accomplishments regularly*

KM Application:

o Consider the organisation's last initiative – did it meet this encouragement criterion?

o Was it exciting – or dull and safe?

o What could the leaders do to encourage the heart at an organisational level?

IV. MEASURING THE ATTITUDE EMPLOYED BY KM PRACTITIONERS

This study attempted to measure the attitude of the employees towards using KM programmes. The variables used to measure attitude were adapted from a study conducted by Smith, McKeen and Singh (2010). They used the work by Marchand to demonstrate that there are six interdependent beliefs and behaviours that could demonstrate the presence of a KM mindset.

Based on their study, the six variables used to measure attitude towards KM usage can be described as follows:

A. Integrity

Integrity refers to the confines by which the staff in an organisation can trust their colleagues to do with knowledge what they would do themselves for where integrity exists,

people will have confidence that knowledge will not be used inappropriately.

B. Formality

This is the ability to trust formal sources of knowledge. With this, staff are able to trust the organisation to provide accurate and consistent knowledge about the business and establish formal processes and knowledge flows that can be used to improve performance and provide services to customers.

C. Control

Once formal knowledge is trusted, it can be used to develop integrated performance criteria and measures for all levels of the company. In time, these will enable monitoring and performance improvement at the individual and work unit levels and can be linked to compensation and rewards.

D. Transparency

This describes a level of trust between members of the organisation which enables them to speak about errors or failures in an open and constructive manner without fear of unfair repercussions. Transparency is necessary to identify and respond effectively to problems and for learning to take place.

E. Sharing

At this level, both sensitive and non-sensitive knowledge is freely exchanged between individuals and across functional boundaries. Knowledge exchanges are both initiated by employees and formally promoted through programmes and forums.

F. Proactiveness

With a high degree of proactiveness, every staff is alert to picking up new knowledge about business conditions and is open to testing new concepts. The staff operate in an environment where they are open to embracing new challenges and constantly developing themselves to perform better.

V. STUDY METHODOLOGY

A. Survey Procedure

The survey questionnaire was administered to employees of a leading multinational organisation in Malaysia following a brief set of instructions. The participants were given ample time to complete the instrument (generally 20 minutes was sufficient). A total of 200 questionnaires were distributed and 155 questionnaires were returned (77.5%). The study involved Malaysian managers from the oil and gas industry. The survey was administered in English as English is the official business language in the organisation.

B. Survey Instrumentation

The Leadership Practices Inventory (LPI) for a self assessment to study how frequently the employees engage in the behaviour described was utilised in this questionnaire. This inventory focused exclusively on the behavioral aspects of knowledge management and the content of the questions was derived from the Kouzes and Posner (2007) typology of leadership behaviour. Kouzes and Posner had five categories of

leadership behaviour and five questions form each of the categories.

Employees did a self analysis on their specific leadership attributes using the ten-point Likert scales ranging from almost never to almost always. The response rate in this study is considerably high. Once created, the questionnaire was administered to a pilot sample (n ¼ 99) for the purposes of establishing reliability estimates (a ¼ 0:86). Four of the questions were further clarified based on this analysis to improve the instrument. The LPI achieved an alpha reliability of 0.89 in this sampling.

Based on Kouzes and Posner's typology, a series of subscales were computed by inferring Marchand's six variables to measure attitude towards KM usage. The reliability scores for the subscales ranged from a ¼ 0:95 to a ¼ 0:51.

C. Leadership practices behaviour and knowledge management

The primary goal of this investigation was to assess the relationship between leadership practices and knowledge management behaviours of employees. To determine the extent of the relationship between leadership behaviour practices and the attitude of employees towards using KM, several correlations were computed. They are detailed in Table I.

TABLE I: CORRELATION COEFFICIENTS AND SIGNIFICANCE WITH KNOWLEDGE MANAGEMENT

Variable correlated with knowledge management	R Coefficient	Significance
LPI – Model the Way	0.459*	0.000
LPI – Inspire a Shared Vision	0.192*	0.000
LPI – Challenge the Process	0.401*	0.000
LPI – Enable Others to Act	0.412*	0.000
LPI – Encourage the Heart	0.405*	0.000
Integrity	0.112*	0.000
Formality	-0.023	0.001
Control	-0.347	0.002
Transparency	0.228*	0.002
Sharing	0.420*	0.000
Proactiveness	-0.052	0.000

Note: * Indicates significant

Based on the highly significant correlations, a regression analysis was performed looking at the amount of variance in LPI accounted for by knowledge management behaviours. The results of that analysis indicate that 27.5 percent of the variance of LPI leadership was accounted for by knowledge management. A regression model looking at the impact of knowledge management on behaviour variables indicated no

significant finding for the variables, except for Integrity, Transparency and Sharing.

TABLE II: CORRELATION COEFFICIENTS AND SIGNIFICANCE WITH KNOWLEDGE MANAGEMENT

| Variable correlated with KM	Integrity	Formality	Control	Transparency	Sharing	Pro-active ness
LPI – Model the Way	0.459*	-0.097*	0.113*	0.187*	0.199*	-0.023
LPI – Inspire a Shared Vision	0.192*	0.110*	-0.108	0.401*	0.412*	0.112*
LPI – Challenge the Process	0.345*	-0.022	-0.090*	0.366*	0.142*	-0.109
LPI – Enable Others to Act	0.365*	-0.034	-0.102*	0.357*	0.326*	-0.082
LPI – Encourage the Heart	0.405*	0.046	0.004	0.406*	0.372*	-0.001

Note: * Indicates significance at 0.01 level

Most would agree that trust in an organisation truly plays a significant role in the ability to exert influence, and hence, lead others. With this, a simple regression analysis of the effect of the attitude of the employees towards KM usage as seen through leadership practices with regards to the position on knowledge management yielded the same significant findings. This regression model indicated that 3.6 percent of the variance of knowledge management could be accounted for by attitude towards usage.

VI. DISCUSSION

The results of this study provide ample support for the notion that knowledge management and leadership, as both a theoretical construct and as a leadership attribute are strongly related to each other. Among the most specific findings in this research study is the strong relationship between leadership practices and knowledge management implementation behaviours. The regression analysis provided strong evidence of the causal nature of the link between the two variables. The strong R squared value associated with the relationship suggests that a substantial amount of variance in leadership can be accounted for by knowledge management skills.

It is interesting to note that the first practice 'Model the Way' augurs highly amongst the leadership behaviour traits whereby in knowledge management implementation, leaders who establish principles concerning the way people (constituents, peers, colleagues, and customers alike) should implement KM, should themselves demonstrate the application of these
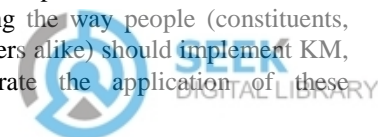
behaviour. It is important to create standards of excellence and then set an example for others to follow. As the prospect of complex change especially in the likes of KM adoption can overwhelm people and stifle action, leaders should be able to set interim goals so that people can achieve small wins as they work toward larger objectives. They should unravel bureaucracy when it impedes action, put up signposts when people are unsure of where to go or how to get there and they create opportunities for victory.

Kouzes and Posner state that when leaders 'Model the Way', they do not ask anyone to do anything which these leaders are unwilling to do first. With this, for the successful implementation of KM behaviour, it can be noted that leaders need to walk the talk to demonstrate their own acceptance of KM practices. This principle is beneficial as it helps the leaders to be straightforward and communicate to the people as to what they aim for and what they believe. It also helps in creating transparency and defines the roles of the employees working under a leader. The leaders should stand up for their belief and also guide the way for the people to follow the values set. Shared values are the foundations for building productive and genuine working relationships.

It should be noted that employees demand that leaders should do more than just deliver inspirational and rousing speeches about knowledge management. The leaders must actually participate in the doing of what they ask their employees to do. Leading by example states that leaders provide evidence that they are deeply and personally committed to the vision they champion. With this, it is indeed evident that employees pay more attention to the values their leaders actually use than to those the leaders say they believe in.

The impact of knowledge management with regards to leadership behaviour and the attitude towards using KM among employees was further explored. It can be noted that integrity, transparency and sharing augur highly in the leadership behaviour of the employees. In this regards, it can be inferred that the employees demand a high level of trust in the organisation and amongst their peers and leaders to be able to successfully implement KM behaviours. This further indicates that knowledge is fluid, shaped by collaboration and discussion among employees and leaders whereby knowledge and trust are interwoven.

VII. CONCLUSION

The findings of this study provide evidence of a growing interest in the relationship between the practical nature of knowledge leadership whereby it is highly important to demonstrate what is being preached and the trust attribute of the employees in the modern workplace. In continuity with prior research, these findings show yet another demonstrated link between person-centred leadership and some technical construct, in this case, knowledge management.

Recently, many researchers have acknowledged the importance of leadership in knowledge management. However, relatively little attention has been paid to the detailed processes by which leadership style would exert an impact on knowledge-management activities. With growing evidence of KM being the most important source of competitive advantage in organizations, hence, the practice of knowledge management requires continuous support from leaders, ensuring its value and results are captured in the minds of employees. With the propagation of knowledge sharing as an important corporate strategy to beat competitors, it becomes highly important for the leaders to indeed model the way.

This study was conducted within the various business units of an organisation. Further research could be done across multiple organisations within an industry, namely the hospitality, banking or educational industry to study the attitude of knowledge management usage among leaders from different industries to see if the industry involved in shapes the response of leaders or personality traits take precedence regardless of industry. This research focused on the leaders' attitude towards KM usage. The study can be further extended by studying behavioural intentions and subsequent actual KM usage based on their attitude.

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