Impact of Leadership and Learning Culture on Knowledge Management in Public Organizations

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ABSTRACT

Purpose: The purpose of this study is to examine the impact of leadership and learning culture on knowledge management (KM) in public organizations of Pakistan.

Design/methodology/approach : Causal research design is used for this study. Data was collected from 202 employees of different public organizations including National Bank of Pakistan, Lahore development authority (LDA), PTCL and SUI GAS OFFICE. Correlation analysis and regression analysis were used to investigate the proposed research model and for testing hypothesis.

Finding: Results shows that leadership and learning culture positively affect the knowledge management in the public organization of Pakistan.

Research limitations/implication : Because of its context specific nature the finding of this study are applicable only to the public organizations specifically in the context of Pakistan.

Abbreviations: Leadership; Learning culture; Knowledge Management.

INTRODUCTION

Every organization desire to achieve the high performance by maximizing their profit. In the fast-growing environment, it is impossible for a firm to achieve this goal without any competitive advantage and knowledge plays an integral part to achieving the competitive advantage [1].

Different organizational mechanisms are used to create and manage the knowledge but there are two factors which are very dominant from all, Leadership and culture. It is assumed that if an organization has best learning culture and leadership practices then other functions will automatically perform well. So we can say that Organization superior performance largely depend on knowledge management, suitable organization culture and best leadership practices [2-4].

Large firms, public organizations, profit and non-profit institutions dedicate resources to Create and manage knowledge as business strategy. Knowledge management mainly focus on improving organizational performance, Innovation etc. Knowledge management enable organization learning. Knowledge management including Creation of knowledge, sharing tacit knowledge (Story telling), Communities of Practice, Transfer of best practices, Management competency [5,6]. So there are different advantages of Knowledge management like Innovation, Competitive advantage and high performance.

Now days the external environment in unstable and uncertain and in this fast-growing environment it is difficult for organizations to achieve the high performance by getting competitive advantage. Sustainability issue is very prominent in every industry and firms are trying to overcome these issues by using different strategies and knowledge management is one of these important factors. We all know that Leadership and culture has significant effect on knowledge management but studies of issue related Leadership, Learning Culture and Knowledge management found rarely in less-developed countries like in Pakistan and especially regarding public organizations. Recent studies on this context [7] generally focus on (Software Firms) catering gap, the impact of leadership on knowledge management. This study aims to examine the impact of leadership and culture on knowledge management in public Organizations. As per the described research problem this study at the end answer following question sought:

How leadership and learning culture effect knowledge management in public organizations?

Leadership and Culture are two unavoidable factors for organizations because both are significant for firm's high performance. This study become necessary for the organization management to understand the impact of both these variables on

knowledge management. The study results can help management to understand the positive effect of leadership and culture on knowledge management in organization and this surely helpful for strategy making to gain the sustainable competitive advantage for the organizations. Moreover, this study also contributes in the body of several literature like leadership, learning cultural and Knowledge management processes. Regarding to the academic perspective this study contributes to understanding of how knowledge is created and share with suitable culture and leadership styles.

Theory and Hypothesis

This chapter contain the concepts of Leadership, Culture and Knowledge management and importance of leadership and learning culture in organizational knowledge management and its various benefits to organizations. It also briefly explain how researchers contributed to this field and their different perspectives.

Concepts and Definitions Knowledge:

According to [7] knowledge means a certain insight or awareness of something, the fact and acts or the point of understanding. Knowledge which includes general know-how is more of tacit knowledge, and knowing about something is generally explicit knowledge [8]. In other words, knowledge is a comprehension of information and its related methods [9]. Therefore, this study argues that knowledge and information are different from each other and these two concepts should not be deals with same pattern. But significantly information can be treated as building blocks of knowledge. Knowledge means facts and figures, information, and skills getting by experience or education. The practical or theoretical knowhow of a subject in knowledge.

Knowledge can be treated as an important asset of organization like money, it has great worth in strategy making [10]. So, the importance of knowledge is increased if it focuses on missions and strategic goals.

Knowledge Management

From the last 15 years, the concept of knowledge management has evolved to explain and represent the shifting nature of the workplace and paradigm shift. Knowledge management is a focused process which determine what information is beneficial for all and then make it easy and available for all (Liss, 1999). Therefore, this process include how knowledge is created or obtained, evaluated, processed, stored, share, and used [11,12] Argued, that performance of learning organizations is higher than the traditional organizations. It is suggested by [13,14] that knowledge based culture has arrived and evolved, and the organizations who have succeeded in this global culture are those that have recognized, created, and evolved their knowledge assets. According to [15,16] effective knowledge management, and innovation are core competencies that an organization must achieve for success.

According to [17] management of knowledge is a strategy which ensure that knowledge reaches at right time to the right people, and these people share and use information to improve the organization's functioning. Supportively [18] describe knowledge management as a "set of procedures, infrastructures, technical and managerial tools, designed toward creating, sharing and leveraging information and knowledge within and around organizations". This particular study argues that the knowledge management is organizational learning which has to come first and the organization and its members can use it for self-renewal.

We know that knowledge in itself is a very complex concept [19]. If all knowledge were written, codified or explicit, then the function of knowledge management would not be much like sharing [20]. Knowledge can be divided into two categories, explicit knowledge and tacit knowledge. Both categories function in an interdependent manner and lead the organization to success.

Explicit knowledge is generally in written and codified form, which is mostly used as a management tool, both in practice and literature. On the other hand, tacit knowledge is not codified, understood or applied, and is generally difficult to explain. It is developed through personal experience, and shared through conversational interaction and story-telling. So, the tacit knowledge is gained from personal experience, it is subjective and difficult to explain [21].

We can sum up this discussion on explicit and tacit knowledge by saying that both are important for an organization to achieve the competitive advantage in the uncertain environment. Top management should give equal significance to the management of explicit and tacit knowledge in other words, an organization can effectively compete against external environment as well as competitors with the help of the combination of explicit and tacit concepts of knowledge management [22] Suggested that the role of knowledge management is to make sure that individual learning and skills become organization learning.

LEADERSHIP

Leadership means practical skill or ability of an individual or organization to lead other teams, individuals, or the whole organizations. From 1980s to 1990s it was the general beliefs that only one leader was required by organizations, who has knowledge to make the work process successfully and error free. According to [23] effective organizations depend on leadership not on the leaders. The responsibility of leader, who has knowledge is to give the strategic visions, motivate others, communicate effectively, act as change agent, guide others around, make good practices, and conduct the knowledge programs [24]. One important assumption that knowledge leaders would explain the goals of knowledge management to all who concerned so that they can identify their roles in goals achievement.

The visionary leadership has a two-pronged operation: tactical and futuristic [25]. Argues, "Visionary leadership has a significantly positive effect on organizational environment, and it is important when a clear direction is needed. The nature of the knowledge management practices need consistent support from leaders to ensure that the value and outcomes of knowledge management are held firmly in contributors' minds".

The leaders who has knowledge must be able to understand people, systems, processes and business rules, which lead to effective business decisions in the organizations [26]. Knowledge leadership is primarily based on building relationship. It needs communication skills like listening and acting on messages received from others around [27]. The knowledge leaders motivate organization employees to contribute through ongoing communication with other members.

It is supposed that leaders set the examples for employees, so the leaders have a direct impact on how the companies should deal with knowledge management practices as well as the process as a whole. If boss takes knowledge seriously, the other members in company will follow automatically [28]. Argues that even effective incentive programs and promising culture will not work out if

the manager is not responsible and dedicated. According to [29]. the core responsibility of top tiers of organizations in knowledge management is to motivate it's all employees by providing them equal opportunities and career development platforms, and reward them by measuring their performance, attitudes and behavior which required for the management of knowledge effectively. Believes that senior managers should understand the importance of knowledge management and play significant role in decision making.

So, leadership plays significant role in knowledge management of the organization. Simply, the effective leadership practices facilitate the organizations for creating, sharing and managing knowledge for sustainable competitive advantage. So from the above discussion we proposed a hypothesis that:

H1: There is an association between leadership and knowledge management in public organization.

Learning Culture:

According to culture of organizations has six categories: information systems, process, people, reward systems, leadership and organization structure. Learning culture of an organization is related to the information systems. Explain the significant technique to improve the core business practices in a company. Some of the tasks involved opportunities identification for improving efficiencies of operations included current business analysis processes, non-value-added activities identification which includes wastes and change process. Therefore, all these techniques may improve and enhance the organizational effectiveness.

According to the organizational culture referred to the "shared values, beliefs and practices of people in an organization". Culture of the organization is reflected in the visible aspects, like its values and mission. Culture is embedded in the organization's core values and traditions. Mostly these are unspoken and taken for granted because they are hard to communicate and invisible to organizational employees [30].

Conferring to David (2000) culture effect behaviors related to knowledge in four ways. First, culture, and subcultures, heavily effect the perception what is as useful, important, or valid knowledge for organization. Second, culture is that it mediates the connection between levels of knowledge. It directs which knowledge is belong to a company and which information stays responsible for people or sub units. Third, culture creates a context for social interaction. It denotes the practices and rules that regulate the environment within which people communicate. Fourth, culture shapes conception and adoption of new knowledge.

Chang (2007) investigate on the applications of knowledge management. Result indicated that the success of knowledge management and experience of knowledge share in organization are positively associated with the culture of organizations. So, successful management of knowledge depend on the level of coordination and organizational management.

According to culture of organization has positive impact to knowledge management. (Kaweevisultrakul, 2007) Argues that organizational culture is important to lead knowledge management, so the key drivers to a successful knowledge management strategy is ensuring that an organization set a rich cultural environment into organization's mission and vision. So we can proposed a hypothesis that:

H2: There is an association between learning culture and knowledge management in public organization.

Research Methodology:

To investigate the research questions and examine the hypotheses, a relational study intent has been chosen as suitable for this study. There is a construction of relationships among the set of variables. The purpose of the study was to determine correlations among variables.

The nature of this study is descriptive. Under descriptive research it is a causal study. This type of study shows a cause and effect relationship of the independent and dependent variables.

For data gathering convenience sampling method is used for this research study. Questionnaire were used as our survey since this method was suitable for this study because it is a confirmatory study and close ended questionnaire were used for data collection. Data of 202 respondents was collected from various public organizations Like: National Bank of Pakistan, Lahore development authority (LDA), PTCL and SUI GAS OFFICE. This study used IBM SPSS program for the empirical analysis of collected data.

RESULTS AND FINDINGS

All the control variables, independent variables, and dependent variables are summarized in the table above. There is no missing value because 202 questionnaires we received from the respondents were filled completely with no missing information about any variable. Furthermore, there is no typo error present so the data is normal for the regression analysis.

Frequencies

In our survey research, 22.28% respondents were females (coded as 0) who answered 45 out of 202 questionnaires. 77.72% respondents were males (coded as 1) who answered 157 out of 202 questionnaires.

Age class of 21-30(coded as 1) responded to 110 questionnaires that constituted of 54.5% of sample size (n= 202), Age class of 31-40(coded as 2) responded to 68 Sample size (n= 202), Age class of 41-50(coded as 3) responded to 21 questionnaires that constituted of 10.4% of sample size (n= 202), Age class of Above 50 (coded as 4) responded to 3 questionnaires that constituted of 1.5% of sample size (n= 202). Respondents with any "Matric" (coded as 1) answered 0 questionnaires that consist of 0% of the sample size (n=202), Respondents with any "Intermediate" (coded as 2) answered 8 questionnaires that consist of 4.0% of the sample size (n=202), Respondents with any "Diploma" (coded as 3) answered 30 questionnaires that consist of 14.9% of the sample size (n=202), Respondents with any "Graduation" (coded questionnaires that constituted of 33.7% of 4) answered 80 questionnaires that consist of 39.6% of the sample size (n=202), Respondents with any "post-graduation" (coded as 5) answered 84 questionnaires that consist of 41.6% of the sample size (n=202), Respondents with any "doctorate" (coded as 6) answered 0 questionnaires that consist of 0% of the sample size (n=202). Details are shown. Respondents with experience 1-3 years (coded as 1) answered 69 questionnaires that consist of 34.2% of the sample size (n=202), Respondents with experience 4-6 years (coded as 2) answered 74 questionnaires that consist of 36.6% of the sample size (n=202), Respondents with experience 6-9 years (coded as 3) answered 37 questionnaires that consist of 18.3% of the sample size (n=202), Respondents with experience above 9 years (coded as 4) answered 22 questionnaires

that consist of 1.9% of the sample size (n=202).

Income class "Below Rs. 15000" (coded as 1) responded to 25 questionnaires which consists of 12.4% of the sample size (n=202), Income class "Rs. 15000-Rs. 30000" (coded as 2) responded to 58 questionnaires which consists of 28.7% of the sample size (n=202), Income class "Rs. 31000-Rs. 45000" (coded as 3) responded to 34 questionnaires which consists of 16.8% of the sample size (n=202), Income class "Rs. 46000-Rs. 60000" (coded as 4) responded to 36 questionnaires which consists of 17.8% of the sample size (n=202), Income class "Above Rs. 61000" (coded as 5) responded to 49 questionnaires which consists of 24.3% of the sample size (n=202).

ANALYSIS

R value and R square value of this research have been tabulated. R value shows the correlation between variables and R square value shows the change in dependent variables caused by one unit change in independent and control variables. R value of 0.492 shows that there is 49.2% correlation between independent variables, i.e. leadership and learning culture. R square value 0.242 or 24.2% variation in dependent variable is explained by the choice of independent and control variables.

ANALYSIS OF CONTROL VARIABLES

Gender: Analysis shows that males are more associated than females with employee's performance (b = .039, p = 0.083 > 0.05). Age: The result shows that age is negatively correlated with employee's performance (b = -.018, p = 0.732). Education: According to the analysis, education is negatively correlated with employee's performance (b = -0.020, p = 0.642). Work experience: As per the analysis, work experience is positively correlated with employee's performance (b = 0.050, p = 0.408). Income: According to the analysis, income is also negatively correlated with employee's performance (b = -0.020, p = 0.620).

CONCLUSION

This research was primarily intended to get an insight into and enhance our understanding regarding the impact of leadership and learning culture on the knowledge management. Leadership and learning culture were found to have a positive impact on the knowledge management. Survey questionnaire were administered in various public organizations in Pakistan especially from Lahore. The sample size of the research was 202. Both the research hypothesis proposed were accepted as per the research findings.

Limitations & Recommendations:

Firstly the sample size was kept at 202 which might make it difficult to generalize the results. A larger sample size would most probably enhance the insight into the dynamics of the relation of knowledge management with leadership and learning culture. Secondly due to time constraint, the theoretical model was kept very simple. Keeping in view the dynamics of Pakistani market environment, it is suggested that some mediators may be added in the model so that a more concrete understanding of the phenomenon can be established. Lastly in this research, the role, if any, of the difference in public and private industry dynamics was not considered as such. This difference, if incorporated in the model, can further the understanding.

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