THE INFLUENCE OF TRANSFORMATIONAL LEADERSHIP STYLES ON KNOWLEDGE MANAGEMENT: THE MODERATING ROLE OF ORGANIZATIONAL STRUCTURE AMONG ADMINISTRATORS

By

ZARINA BINTI ZAINAL ABIDIN

A Master Paper Submitted to the Centre for Graduate Studies,
Universiti Utara Malaysia,
in Fulfillment of the Requirement for the
Degree of Master of Human Resource Management

MAY 2012
PERMISSION TO USE

In presenting this thesis in partial fulfilment of the requirements for a postgraduate degree from the Universiti Utara Malaysia, I agree that the University Library may make it freely available for inspection. I further agree that permission for copying this thesis in any manner, in whole or in part, for scholarly purposes maybe granted by my supervisor(s) or, in their absence, by the Dean of College of Business. It is understood that any copying or publication or use of this thesis or parts thereof for financial gain shall not be allowed without my permission. It is also understood that due recognition shall be given to me and to Universiti Utara Malaysia for any scholarly use which may be made of any material from my thesis.

Request for permission to copy or to take other use of materials in this thesis, in whole or in part, should be addressed to:

Dean of College of Business
University Utara Malaysia
06010 UUM Sintok
Kedah Darul Aman
ABSTRAK

ABSTRACT

The objective of this study is to determine the relationship between transformational leadership and its dimensions and knowledge management. The dimensions of transformational leadership are idealized influence, inspirational motivation, intellectual stimulation and individualized consideration. In this study intends to look at the moderating effect of organizational structure between transformational leadership styles and knowledge management. Furthermore, the study also to examine whether any differences in knowledge management level among administrators in UiTM based on level of education and length of services. Respondents of this study were 255 administrators of Grade 41 until Grade 54 who at UiTM Shah Alam, Perlis, Perak, Terengganu, Johor and Sarawak. Data were analyzed using SPSS version 16 Windows. The tests conducted were Pearson’s Correlation, Multiple Regression, Hierarchical Regression and One-way ANOVA. The Pearson’s Correlation showed that transformational leadership, as well as each of its dimensions was correlated to knowledge management. However, multiple regression tests showed that idealized influence and individualized consideration were significant with knowledge management. On the other hand, the results showed that knowledge management significantly influenced by only two dimensions; idealized influence and individualized consideration. Besides that, the hierarchical regression was found that organizational structure was moderate the relationship between transformational leadership and knowledge management. The findings of the One-way ANOVA showed that there were no significant differences in respondents’ knowledge management level based on level of education and the length of services.
ACKNOWLEDGEMENTS

First of all, my praise and gratitude to Allah, who has blessed me with a great strength, patience, ability and courage to complete this project paper.

I would like to take this opportunity to extend my utmost gratitude and sincere appreciation to my supervisor, Dr. Amer Hj Darus for his guidance and comments. I would also like to express my sincere gratitude to Dr. Subramaniam a/l Sri Ramalu (UUM) and Puan Ida Rosmini (UiTM) for their statistical knowledge that helped in analyzing the data and the outcomes.

A special thank you to state administration officers of UiTM branch campuses; Encik Zulkefli Sohaimi, Encik Ahmad Lotfi Hj Ariffin, Puan Hanita Yusof and Puan Asiah Saleh for their cooperation and supported in this study.

My appreciation goes to my parents; Hj Zainal Abidin Ismail, Hjh Sapiah Kamin, Hj Jalil Baginda and Hjh Junaidah Shufaat and siblings for their encouragement and consideration. To my sons; Amir Asyraf and Amir Aizat thanks for your understanding. To my dear husband; Mohd Azlin, thank you for the patience, love, support and always is being there for me.

I also thank those who I have not mentioned here but in many ways drive me to struggle toward greater heights.
TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permission to Use</td>
<td>ii</td>
</tr>
<tr>
<td>Abstrak</td>
<td>iii</td>
</tr>
<tr>
<td>Abstract</td>
<td>iv</td>
</tr>
<tr>
<td>Acknowledgement</td>
<td>v</td>
</tr>
<tr>
<td>Table of Contents</td>
<td>vi</td>
</tr>
<tr>
<td>List of Tables</td>
<td>xi</td>
</tr>
<tr>
<td>List of Figures</td>
<td>xii</td>
</tr>
</tbody>
</table>

CHAPTER 1: INTRODUCTION

1.1 Introduction                                | 1
1.2 Background of the Study                    | 1
1.3 Background of the Organization             | 8
1.4 Problem Statement                           | 9
1.5 Research Questions                          | 12
1.6 Research Objectives                         | 12
1.7 Significance of the Study                  | 13
1.8 Scope and Limitations of the Study         | 14
1.9 Definition of key Terms                    | 16
1.10 Organization of the Thesis                 | 17
CHAPTER 2: LITERATURE REVIEW

2.1 Introduction 19
2.2 Transformational Leadership Theory 19
2.3 Leadership Styles in Knowledge Organization 23
2.4 The Influence Between Idealized Influence and Knowledge Management 29
2.5 The Influence Between Inspirational Motivation and Knowledge Management 30
2.6 The Influence Between Intellectual Stimulation and Knowledge Management 31
2.7 The Influence Between Individualized Consideration and Knowledge Management 33
2.8 Knowledge and Knowledge Management 34
2.9 Knowledge Management Process and Flow 37
2.10 Knowledge Management and Learning Organizational 40
2.11 Knowledge Management in Higher Education 42
2.12 Moderating Role of Organizational Structure 47
2.13 Conclusion 53

CHAPTER 3: METHODOLOGY

3.1 Introduction 54
3.2 Research Framework 54
3.3 Hypotheses Development 55
3.4 Research Design 57
   3.4.1 Type of Study 57
   3.4.2 Unit of Analysis 58
<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.4.3</td>
<td>Population</td>
<td>58</td>
</tr>
<tr>
<td>3.4.4</td>
<td>Sampling Techniques</td>
<td>58</td>
</tr>
<tr>
<td>3.5</td>
<td>Operational Definition</td>
<td>62</td>
</tr>
<tr>
<td>3.6</td>
<td>Measurement and Instruments</td>
<td>63</td>
</tr>
<tr>
<td>3.6.1</td>
<td>Questionnaire Design</td>
<td>64</td>
</tr>
<tr>
<td>3.7</td>
<td>Pilot Study</td>
<td>65</td>
</tr>
<tr>
<td>3.8</td>
<td>Data Collection and Administration</td>
<td>67</td>
</tr>
<tr>
<td>3.9</td>
<td>Reliability Test</td>
<td>70</td>
</tr>
<tr>
<td>3.9.1</td>
<td>Main Study</td>
<td>70</td>
</tr>
<tr>
<td>3.10</td>
<td>Normality Test</td>
<td>71</td>
</tr>
<tr>
<td>3.11</td>
<td>Techniques of Data Analysis</td>
<td>72</td>
</tr>
<tr>
<td>3.11.1</td>
<td>Descriptive Statistics</td>
<td>73</td>
</tr>
<tr>
<td>3.11.2</td>
<td>Correlational Statistics</td>
<td>73</td>
</tr>
<tr>
<td>3.12</td>
<td>Summary of Test of Hypotheses</td>
<td>75</td>
</tr>
<tr>
<td>3.13</td>
<td>Conclusion</td>
<td>76</td>
</tr>
</tbody>
</table>

CHAPTER 4: RESULTS AND FINDINGS

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1</td>
<td>Introduction</td>
<td>77</td>
</tr>
<tr>
<td>4.2</td>
<td>Sample Characteristics</td>
<td>77</td>
</tr>
<tr>
<td>4.3</td>
<td>Profile of the Respondents</td>
<td>78</td>
</tr>
<tr>
<td>4.4</td>
<td>Goodness of Measure</td>
<td>80</td>
</tr>
<tr>
<td>4.4.1</td>
<td>Reliability Test</td>
<td>80</td>
</tr>
<tr>
<td>4.5</td>
<td>Descriptive Analysis</td>
<td>82</td>
</tr>
<tr>
<td>4.6</td>
<td>Testing the Hypotheses</td>
<td>83</td>
</tr>
<tr>
<td>4.6.1</td>
<td>Hypotheses 1</td>
<td>86</td>
</tr>
</tbody>
</table>
CHAPTER 5: CONCLUSION AND RECOMMENDATION

5.1 Introduction 94
5.2 Recapitulation of the Result 94
5.3 Discussion 95
5.4 Objectives Achievements
   5.4.1 Research Objective 1 95
   5.4.2 Research Objective 2 97
   5.4.3 Research Objective 3 100
   5.4.4 Research Objective 4 102
   5.4.5 Research Objective 5 102
5.5 Implications and Recommendations of the Study 103
5.6 Future Research 108
5.7 Conclusion 108
# LIST OF TABLES

<table>
<thead>
<tr>
<th>Tables</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Table 3.1</td>
<td>58</td>
</tr>
<tr>
<td>Population of UiTM administrators based on each region.</td>
<td></td>
</tr>
<tr>
<td>Table 3.2</td>
<td>62</td>
</tr>
<tr>
<td>Distribution of variables</td>
<td></td>
</tr>
<tr>
<td>Table 3.3</td>
<td>64</td>
</tr>
<tr>
<td>The Cronbach Alpha for pilot test</td>
<td></td>
</tr>
<tr>
<td>Table 3.4</td>
<td>66</td>
</tr>
<tr>
<td>Date of questionnaires sent and returned</td>
<td></td>
</tr>
<tr>
<td>Table 3.5</td>
<td>66</td>
</tr>
<tr>
<td>Numbers of questionnaires sent and returned</td>
<td></td>
</tr>
<tr>
<td>Table 3.6</td>
<td>67</td>
</tr>
<tr>
<td>Coefficient Alpha (α) Scales</td>
<td></td>
</tr>
<tr>
<td>Table 3.7</td>
<td>68</td>
</tr>
<tr>
<td>Cronbach’s Alpha for main study</td>
<td></td>
</tr>
<tr>
<td>Table 3.8</td>
<td>71</td>
</tr>
<tr>
<td>Interpretation of strength of correlation</td>
<td></td>
</tr>
<tr>
<td>Table 3.9</td>
<td>72</td>
</tr>
<tr>
<td>Statistical Analysis</td>
<td></td>
</tr>
<tr>
<td>Table 4.1</td>
<td>74</td>
</tr>
<tr>
<td>Response rate</td>
<td></td>
</tr>
<tr>
<td>Table 4.2</td>
<td>75</td>
</tr>
<tr>
<td>Demographic variables</td>
<td></td>
</tr>
<tr>
<td>Table 4.3</td>
<td>78</td>
</tr>
<tr>
<td>Reliability value</td>
<td></td>
</tr>
<tr>
<td>Table 4.4</td>
<td>79</td>
</tr>
<tr>
<td>Descriptive analysis for major variables</td>
<td></td>
</tr>
<tr>
<td>Table 4.5</td>
<td>81</td>
</tr>
<tr>
<td>Results of correlation analysis</td>
<td></td>
</tr>
<tr>
<td>Table 4.6</td>
<td>81</td>
</tr>
<tr>
<td>Multiple Regressions analysis</td>
<td></td>
</tr>
<tr>
<td>Table 4.7</td>
<td>86</td>
</tr>
<tr>
<td>Hierarchical Regression analysis</td>
<td></td>
</tr>
<tr>
<td>Table 4.8</td>
<td>88</td>
</tr>
<tr>
<td>Results of One-way ANOVA on level of education.</td>
<td></td>
</tr>
<tr>
<td>Table 4.9</td>
<td>89</td>
</tr>
<tr>
<td>Results of One-way ANOVA on length of service.</td>
<td></td>
</tr>
<tr>
<td>Table 4.10</td>
<td>89</td>
</tr>
<tr>
<td>The summary of hypotheses results.</td>
<td></td>
</tr>
</tbody>
</table>
# LIST OF FIGURES

<table>
<thead>
<tr>
<th>Figures</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Figure 2.1  The conceptual model of LO and KM</td>
<td>40</td>
</tr>
<tr>
<td>Figure 3.1  Research framework</td>
<td>54</td>
</tr>
</tbody>
</table>
CHAPTER 1
INTRODUCTION

1.1 Introduction
This chapter outlines the background of the organization in which the research was carried out. It also introduces the concept of knowledge management, the problem statement, the research questions, the objectives of the study, the significance of the study, scope of the study, limitations faced, definition of key terms and the organization of the thesis.

1.2 Background of the Study
Knowledge is a very important resource in the chaotic economy environment while the organizations face the high competition, new technology, and globalization. Knowledge is also a very significant asset in identifying, capturing, storing, and applicable to the organizational processes that can help organizations to achieve their goals and objectives. Therefore, organizations should take the efforts in creating the new knowledge among employees that will contribute to develop organization knowledge.

A study by Drucker (1993), had convincingly stated that the classical factors of production such as land, labor and capital had been replaced by knowledge. It is supported by Bahra (2001), in year 1998 the World Bank has noted that:
‘The balance between knowledge and resources has shifted so far towards the former that knowledge has become perhaps the most important factor
The contents of the thesis is for internal user only
REFERENCES


