

Chapter 2

Literature Review and Conceptual Framework

2.1 Introduction

This chapter presents the key literature relevant to the concept of PKM, leadership styles and organisational performance and discusses the connections and variations highlighted by existing researchers and their empirical findings to emphasise the concepts explored in this research.

2.1.1 *Personal Knowledge Management*

Different cultures produce different learning environments from different levels of individual and organisational learning, and researchers have indicated that Asian, American and other Western top management have created various levels of learning in their organisations, resulting in different levels of organisational performance (Hofstede 1998; Waldman et al. 2006). Hence, to understand the various ways in which top management manage and transfer knowledge within their organisation, it is necessary to explore how individuals encourage their organisational members to participate in the organisation (Avery et al. 2001; McVanel-Viney 2008). Knowledge management typically emphasises organisational knowledge (Pauleen 2009).

Several researchers on KM have studied the organisational level (Pauleen 2009; Tsui 2002; Zhang et al. 2002). Thus, in recognising the management disciplines from individual to organisational learning there remains room to investigate (Wilson et al. 2008; Semertzaki 2011). Over recent decades there has been little research in this field, although several scholars have attempted to define PKM, including Frand and Hixon (1999), Avery et al. (2001), Higgison (2004), Jefferson (2006), Volkel and Abecker (2008), Martin (2008) and Jarcho (2010). Frand and Hixon (1999) said that PKM is a structure premeditated for individual purposes, a conceptual framework to

organise and incorporate data that individuals feel is essential so that it becomes part of their personal knowledge base. It provides a strategy for transforming what may be unsystematic pieces of information into particular groupings which can be analytically applied and extend personal knowledge; this is particularly true in the healthcare industry (Dunne and Kelliher 2013).

Avery et al. (2001) and Wiggins (2013) proposed different views and suggested that PKM could be a form of individually developed self-awareness of their limits and capabilities, i.e. what individuals know and what individuals could perform. This personal self-awareness is an understanding of how much individuals know, and how to access the things individuals distinguish. From the vast amount of data available and the various means for acquiring new data, each individual maps out his or her own areas of expertise and own methods for specific learning.

Higgison (2004) considered PKM as 'a concept of facilitating personal knowledge and data so that it is manageable, meaningful and valuable to the individuals; maintaining networks, interactions and communities; making individuals' day-to-day responsibilities simpler and more gratifying, and exploiting personal capital'.

Jefferson (2006) stressed that 'PKM is focused on a bottom-up method, with an individual perspective to KM'. The aim is to make it possible for individuals to select what information to possess, how to organise it and who to exchange it with. Individuals are supposed to be able to manage their own information for full use in a meaningful and available form when needed. PKM enables organisational members to arrange both soft and hard contents in such a way as to enable them to make sense of the accumulation they are continually seeking for. However, Volkel and Abecker (2008) pointed out that PKM 'denote[s] the process of the individuals to manage knowledge' and 'it deals with embodied and encoded knowledge i.e. mostly with personal, self-authored artefacts'.

Martin (2008) describes it thus: 'PKM is knowledge individuals contain and how individuals can manage it, mobilise it and apply it to accomplish individuals' goals, and how individuals can continue to practise knowledge'. Jarcho (2010) suggests that 'PKM is an individual, disciplined practise by which one makes sense of data, reflection and awareness. In the past this may include keeping journals, writing letters, or involving in conversation. These are still effective, but with digital media individuals may be able to add contexts by classifying, noting or even revising it. Individual may also store digital media for easy retrieval'.

Drucker (1998) argued that knowledge workers have positive effects on economic growth. This involves individual decision-making and actions (Ramírez and Nembhard 2004). As suggested by Pauleen (2009), PKM is a process of self-development; the individual is crucial in encouraging a learning environment, supported by organisational learning and knowledge management. Nonaka (1991) proposed that new knowledge generally arises from individuals. Thus, organisations contribute by promoting, developing, valuing and managing its employees as individuals (Swan et al. 1999).

Ahmed et al. (2002) argue that PKM comprises individuals linking and distributing their experience, skills, intuitions, ideas, judgments, contexts, motivations and interpretations. Efimova (2004) defined PKM as ‘an approach that complements organisational knowledge management by concentrating on approaches to sustain productivity of an individual knowledge organisational member’. It is also considered a tool furnishing knowledge workers with mandatory skills to manage their individual knowledge. Pauleen (2009) also recommended that in the world of the knowledge-driven society, it has widely become indispensable for individuals to maintain, develop and contribute their skills to prepare themselves for any possibility of competitive advantage in the market.

Finally, the PKM skill model of Avery et al. (2001) identified seven information skills: (1) retrieving, (2) evaluating, (3) organising, (4) collaborating, (5) analysing, (6) presenting and (7) securing, as follows:

2.1.2 Retrieving Information

This involves collecting data not just from print and electronic sources, but through experimentation and oral enquiry, as well as a wide range of more discipline-specific practices. Low-tech skills such as raising questions, taking notes, using search tools and reading are required. Also, as the literature on information literacy emphasises, considerable effort should be put into framing the enquiry even before information retrieval commences. The practical use of Internet search engines and electronic databases in the enquiry process requires technology skills. It is challenging to clarify the required information influencing new knowledge establishment and it is necessary to be familiar with keyword and subject searching to widen and narrow the scope of the search (Alexopoulos and Buckley 2013).

2.1.3 Evaluating Information

This is closely related to the skills of retrieving information. Strategies for information retrieval are based on selecting and evaluating data. However, evaluation also takes place after retrieval, as the quality and relevance of various portions of information relate to the problem at hand (Pauleen 2009). It is noted that different areas of study are likely to place emphasis on different criteria. The greater availability of information in the current information-rich environment imposes on these skills far greater importance in the technological era (Porter 1997). The intelligent use of some crude electronic tools, such as ‘relevance indicator’, can be relevant to the effective evaluation of information, requiring the effective evaluation of the quality and the relevance of information gathered (Dorsey 2001).

2.1.4 Organising Information

Frاند and Hixon (1999) agreed that the skill of organising information is a core section of the enquiry practice, concentrating on constructing the links necessary to connect pieces of information to give them meaning. Techniques for organising information help the enquirer to overcome some of the limitations of the human information processing system. In some ways, the key challenge in organising information is for the enquirer to use connecting principles linking new information with old information (Evans and Qureshi 2013). Familiarity with technological skills is crucial in the application of electronic tools including directories and folders, databases, web pages and web portals to make connections (Avery et al. 2001).

This organising skill is to improve practices enabling individual knowledge workers to develop strategies consistent with the nature of their duties, with their learning capabilities and with relationships they may have (Dorsey 2001). Skills are also required to apply technologies such as databases, websites and applications to store the information in the system (Porter 1997).

2.1.5 Collaborating Information

Practical collaborative work includes the underlying principles of listening, showing respect for the understanding of others' ideas, developing and following through on shared practices, building win/win relationships and resolving conflicts. With collaborative enquiry, partners need to learn to share ideas (Ghaznavi et al. 2011). The availability of new electronic tools for collaboration to support both synchronous and asynchronous communication requires an entire new collection of practices for efficient information exchange. This skill influences the utilising of information in linking others with respective and shared practices. It requires the understanding of communication among organisational members (Herghiligi et al. 2013).

2.1.6 Analysing Information

This is essential to the process of transforming information into knowledge. At the same time, it is the most discipline-specific information skill, since the models, theories and frameworks central to analysis are frequently involved in academic disciplines (Kelly 2006). Analysis involves organisation of information, but goes further in its emphasis on the importance of respect for standards in public communities. These skills address the challenges of extracting meaning out of data. In some disciplines, electronic tools such as spreadsheets and statistical software provide the means to analyse information, but the human element is central in

enclosing the model embodied in that software. The challenge is to distinguish meaningful information from data (Suresh 2014). These skills require the ability to convert knowledge into various usable forms.

2.1.7 Presenting Information

The key to the presentation of information is the audience; this means, as in the case of analysing information, that understanding disciplinary communities, their norms and standards is of core significance. An effective presentation takes into account not only an understanding of the listeners, but a rich consideration of the purposes of the presentation as it relates to them. The history and theory of rhetoric provides an abundant literature for supervision in the exercise of these skills. The emergence of new electronic tools and venues for presentations, through computer-based presentation tools and websites, makes attention to these information skills even more imperative (Świgoń 2013).

It is important to realise the purposes of the presentation as it directly affects the audience (Dorsey 2001). Beyond preparing professional-looking PowerPoint slides, the presenter needs to understand the behaviour and characteristics of audiences: Who they are, what information they require, from what perspective they interpret the information and how they make use of the information offered (Zhen et al. 2011).

2.1.8 Securing Information

Although this may sometimes be overlooked as an information skill (Dorsey 2001), Avery et al. (2001) endorsed it by affirming that it is strongly related to intellectual property issues and the multiplicity of security issues originating from the explosion of electronically networked environments. Securing information entails developing and implementing practices to ensure the confidentiality, integrity and actual existence of information, and it is crucial in answering a high level of intellectual property issues (Young 2012). The importance of keeping information secure is, indeed, built on the concept of intellectual property (Alexopoulos and Buckley 2013; Cheong and Tsui 2011; Ghaznavi et al. 2011; Kelly 2006).

PKM involves not only the contributions of individuals or organisational members but also relates to their knowledge, motivation and commitment (Dyer and Hatch 2006; Carrillo and Anumba 2002; Farrell 2006; Langhammer et al. 1993). Additionally, in the increasingly multicultural environment of organisations, top management may need to understand their own PKM in order to encourage individuals to participate in creating a learning environment and improve organisational performance (Clarke 2006; Dabbagh and Kitsantas 2012; Jung et al. 2007; Pirró et al. 2010; Wiggins 2013). Subsequently, it is clear that PKM is the process of how one perceives and transfers knowledge.

2.1.9 Leadership Styles

Scholars have proposed that a high-performance organisation requires first-class leadership; there is no simple solution and no rapid fix to compensate for poor leadership (Bell 2006; Künzle et al. 2010; Spinelli 2006). The concept of leadership has become increasingly familiar in discourses on management development over the last 20 years (Mumford and Gold 2004, p. 9). Bryman (1986) and Carter (2009) proposed that leadership has a variety of definitions, and there is no general agreement.

For instance, Stogdill (1948) claimed leadership describes the influence relationship that exists between top management and subordinates who intend real changes and outcomes which reflect their shared purpose. Rauch and Behling (1984) defined leadership as the process of influencing the activities of an organised group towards goal achievement. Similarly, Yukl (1989) proposed that leadership takes place among people; it involves the use of influence and is used to attain goals. Jaques and Clement (1991) suggested that leadership is the process through which an individual establishes the purpose or direction for individuals or a group of people, and encourages them to move along together with him or her and with each other in that direction, with competence and full commitment. Shackleton (1995, p. 2) explained leadership as the technique by which an individual influences organisational members towards the attainment of organisational goals.

Elaborating on the leadership role, Goleman (2000) proclaimed it may consist of generating outlines, establishing direction, aligning and motivating people as well as encouraging collaborative working, and producing positive and dramatic change. Thus, leadership may be defined as the progression by which a person acting as top management is accountable with distinctive responsibility for a wide range of tasks attained primarily through the exertions of other organisational members (Bowditch and Buono 2000). As such, Daft (2000) recommended that leadership involved an ability to encourage organisational members towards the attainment of goals (p. 502). Bedeian and Hunt (2006) recommended that leadership is a subset of management, and both are important to facilitate organisational performance. Nonetheless, Shriberg et al. (2005, p. 138) agreed that although leadership may be observed as part of the management pie, 'there is a good part of leadership that cannot be considered a subset of management'.

Generally, leadership could be defined as the capability of top management to encourage their members to generate exertion superior to their normal level of performance, which ultimately could contribute to improved organisational performance; in particular, several academic articles have acknowledged that leadership is expedient for effective development in the healthcare industry (Cooney et al. 2002; Butow et al. 2006; Hamlin 2005).

It could be argued that organisational learning is capable of continual regeneration as a result of the variety of knowledge, experience and skills of individuals within a culture where mutual questioning is encouraged and challenged around a shared purpose or vision (Johnson and Scholes 2002). Hence, to increase

organisational performance, the organisation needs to explore new ways and instantaneously exploit what has been learned. In this respect, exploration is defined as variance-seeking and includes the constructs of creativity and innovation, whereas exploitation is reliability-seeking and includes the learning of standard routines, transfer of existing knowledge and incremental variation (Lewin et al. 1999; March 1991; Tushman et al. 2002).

The top management thus plays a key role in transferring knowledge and encouraging the learning environment in the organisation (Handy 1995). For this reason, the skills of an individual can encourage contributions from the collective responsibilities of organisational members who need to be well-developed and willing to practise the imperative skills being transferred (Carter 2009). The sorts of change needed in the creation of organisational learning are extremely challenging and need 'real leadership' (Senge 2010). Arguably, it appears that leadership plays an important role in shaping and maintaining organisational culture (Lok et al. 2005; Schein 1993).

Furthermore, the literature is undecided about how leadership is formed. There have been wide-ranging discussions on whether leadership is derived from 'nature' or 'nurture': Are individuals born as leaders, or trained in leadership (Shriberg and Shriberg 2011)? Grint (1991) suggested that leadership may refer to the ability and skills to intervene in new situations regardless of previous experience. It may also refer to the role of the leader in reflecting problem solving (pp. 6–7). Torrington et al. (2005) further suggested that leadership is predominantly an inborn aptitude that cannot be accomplished basically through training, although it can be further improved through education. Grint (1991) agrees with this view, noting 'it would be odd if leadership was the only human skill that could not be enhanced through understanding and practice (p. 2)'.

Leadership could also be further understood by considering how top management develop their previous experience and expertise to clarify the ideas of followers and encourage creativity (Berson et al. 2006; Mumford et al. 2003). As such, leadership may be seen as part of a learning process succeeding through carrying out day-to-day responsibilities. Logically, this may be mediated through individual experience and learning preference.

Arguably, leadership is a key factor in creating organisational learning. This could be accomplished by building a sense of commitment among members of the organisation based on a shared vision. Furthermore, Daft (2000) recommended that leadership is significant in organisations aiming to transform themselves into learning organisations. It is important to note, however, that different styles of leadership may develop different ways of encouraging employees (Bass 1985). Similarly, William et al. (1993) recognised that although everyone has the potential to be a leader, there is no single style or personality that is best for all situations. Likewise, there are neither correct nor incorrect ways of leading; effective leadership styles must be appropriate to any organisation seeking for improved organisational performance (Bush and Glover 2012). Nevertheless, regardless of which styles are adopted, it is widely accepted that leadership is an indispensable perspective which top management need to understand to promote a learning environment.

Kotter (2008) demonstrated that the single most important factor in successful organisational change is knowledgeable leadership. Leaders or top management provide the highest leverage point for changes to arise because they are critical to establishing the strategic direction of the organisation as well as in creating and maintaining its culture (Sidle 2005; Kotter 2008). More importantly, scholars have emphasised that leadership and performance are two important and interrelated variables contributing to organisational performance, and thus there is a critical need to examine this relationship (see, for example, Hadikin and O'Driscoll 2000; Tepper 2000). It appears that leadership is an important ideal for top management in their role to encourage learning, share knowledge with and transfer it to employees by means of appropriate styles in different situations for the purpose of achieving organisational goals.

It has been suggested that the transformational leadership approach is more effective than others in creating change in an organisation, especially compared with transactional leadership. This has also been related to the way to lower the barriers to transferring knowledge within the organisation (see, for example, Easterby-Smith and Lyles 2011). In the recent literature, Bass and Avolio are widely acknowledged for continuing these new leadership concepts. In line with Bryman (1999, p. 31), their basic ideas are greatly influenced by Burn's (1978) work. Burn recommended that transactional leadership is more common than is transformational leadership, if less dramatic in its consequences. Bass (1997), however, further developed the concepts of transactional and transformational leadership. He established them as two separate theories and distinguished their different features (Judge and Piccolo 2004).

Bass (1997) proposed that transformational leaders are expected to make their employees trust, respect and appreciate them by concentrating on idealised influence, individualised consideration and inspirational motivation, which in turn implies serving as a charismatic role model and expressing a vision that could be created. It also suggests a need for intellectual stimulation, defined as questioning old assumptions and the status quo (Avolio and Bass 1995). This leadership style describes top management likely to concentrate on higher motivation development, encouraging subordinates' motivation by an inspiring vision of the future (Rowold and Heinitz 2007; Bass 1997).

Similarly, Yukl (1999) argues that charismatic leadership and transformational leadership are partially overlapping concepts. Hence, it is suggested that transformational leadership could be considered to be the concept that comprehensively covers charismatic leadership, visionary leadership and cultural leadership (Kuhert 1994). It also explains the process of leadership that is able to influence people in the organisation in both specific and general areas. To support this, Alves et al. (2007) proposed that a continuous learning culture is expedient for any organisation seeking improved performance. In particular, Martins and Terblanche (2003) suggested that top management is required to encourage curiosity in organisational members, to ascertain new knowledge and valuable solutions to be introduced into the workplace. To sum up, it describes top management who emphasise building employees' motivation to generate productivity for the entire organisation.

Elaborating further, transformational leadership theory could be considered a form of behavioural theory. It is based on the premise that leadership can be learned (Hetland and Sandal 2003; Bass 1997). More importantly, there is substantial evidence suggesting that transformational leadership helps to increase higher levels of individual performance (Avolio and Bass 1995; Avolio and Yammarino 2013). For example, Hater and Bass (1988) and Ilies et al. (2006) concluded that top management at Federal Express who were evaluated as transformational leaders attained better performance. However, Yukl (1999) argued that Bass and Avolio's leadership theory can be strengthened through the indispensable impact of developments identified more clearly and used to explain how each type of behaviour affects each type of mediating variable and outcome.

Arguably, as the preceding discussion suggests, transformational leaders are often characterised as organisational champions managing improvements, initiating innovative ideas and motivating organisational members. Through their personal charisma, these individuals inspire trust, faith and belief in themselves, their vision and their actions. Yet while the virtues of these charismatic leaders are frequently praised in the popular management press, there can be drawbacks with such forms of leadership.

Howell and Avolio (1993) believed that this type of leader can become so fascinated by their vision of what is best for the organisation, that they unintentionally neglect internal and external signals that their vision might not be appropriate. Numerous cautionary tales exist where top management were so carried away with their personal vision that they literally destroyed their organisations in the process. Another criticism is that this type of top management does not necessarily act in the best interests of their organisation. Many employ their power to restructure their companies in their own image. They often entirely blur the boundary separating their personal interests from their organisation's interests. At its worst, the risks of this ego-driven charisma are top management enabling their self-interest and personal goals to dominate the goals of the organisation. Similarly, these top management occasionally surround themselves with organisational members terrified to share their attitudes, so when the top management make any mistake, the organisational members do not oppose the management's ideas (Seltzer and Bass 1990).

Compared to the transformational leadership approach, transactional leadership is largely acknowledged as the traditional management function of leading (Daft 2007; Bass 1997). There are three key dimensions making up transactional leadership, namely contingent rewards, management by exception-active and management by exception-passive. Contingent rewards refer to the degree to which the leader sets up constructive transactions or exchanges with subordinates. Transactional leadership clarifies expectations and establishes the rewards for reaching these expectations. In contrast, management by exception-active refers to top management monitoring organisational members' behaviour, anticipating problems and taking corrective action before the behaviour creates serious difficulties. On the other hand, management by exception-passive means top management taking action only after the behaviours of the organisational members have already created difficulties (Judge and Piccolo 2004).

It is noted that top managements who have this leadership style prefer to provide appropriate rewards, focus on clarifying the role and task requirements of organisational members, and initiate structure (Kuhert 1994). These attributes of transactional leadership could lead to an increase in organisational performance as researchers have suggested that managers with this leadership style tend to be hard-working. They are more concerned with the accomplishment of the assigned tasks than the development of organisational members' capabilities (Daft 2000). These two different leadership styles may both be present, but this does not mean they are equally important. Hence, Bass (1997) and Seltzer and Bass (1990) proposed that to accomplish improved organisational performance, a combination of transactional and transformational leaders is required. Nonetheless, some studies have found a mix of both positive and negative correlation between transactional leadership and performance (Gellis 2001; Howell and Avolio 1993).

In comparison to transformational and transactional leadership, *laissez-faire* describes top management who are neither task-concerned nor people-concerned. They avoid providing direction to the organisational members. They try not to make decisions, often hesitate in taking action and are not present when required. *Laissez-faire* leadership is also interconnected with management by exception-passive leadership (Judge and Piccolo 2004).

It appears that such managers are not highly driven; their power only comes from their position in the organisation and they are less likely to carry out their responsibilities. Almost inevitably, *laissez-faire* leadership is likely to result in damaging consequences for the working surroundings, health and well-being of organisational members (Corrigan et al. 2000; Hetland and Sandal 2003).

Thus far, several studies have scrutinised leadership style to find different practices to improve organisational performance. For example, in emphasising the prominence of the knowledge-based approach for research and development (R&D) teams, Kammerlind et al. (2004) and Shin and Jing (2007) also found that transformational leadership and educational specialisation heterogeneity interact with each other, contributing substantially to team creativity. They found that the two variables are statistically strongly associated with team creativity. More specifically, the teams' creative efficiency mediated the relationship between educational specialisation heterogeneity, transformational leadership and team creativity.

Similarly, Gellis (2001) studied the relationship between transactional and transformational leadership styles and their impact on performance. Totally, 187 employees were asked to rate multifactor leadership questionnaires. He found that transformational and transactional leadership styles are correlated with organisational performance.

The influences of transformational leadership on organisational performance were also investigated by Colbert et al. (2008). Totally, 94 top management teams were asked to participate. They found that top management transformational leadership was positively related to within-team goal importance congruence, which in turn was positively related to organisational performance. Similarly, Howell et al. (2005) predicted the relationship between leadership and organisational performance. 101 top managements were selected as their sample, and they

found that transformational leadership is positively related to business performance, while contingent reward leadership was not significantly related to it.

Moreover, the findings also suggest that physical distance between top management and employees negatively mediated the relationship between transformational leadership and organisational performance, but positively mediated the relationship between contingent reward leadership and organisational performance. In addition, several studies have attempted to study the relationship between gender and leadership styles. They found that gender is significantly correlated with leadership styles, and that female top managements are likely to adopt more transformational leadership (Lantz 2008).

In contrast, Mandell and Pherwani (2003) and Oshagbemi (2008) proposed that although there were significant differences between gender and the leadership styles of top management they found that age is directly related to leadership styles of the top managements.

Leadership theory has also been applied in studies on human resource management and organisational performance. Weichun et al. (2005) studied the relationship between human resource management and leadership styles of the top managements, using 170 firms in Singapore as samples. They found that human resource management fully mediates the relationship between top managements' transformational leadership and subjective assessment of organisational performance. It also partially mediates the relationship between top managements' transformational leadership and absenteeism.

Mccall et al. (1988) emphasised the relationship between leadership and the factors influencing development as a top manager; the most positive impacts comprised job assignments the executive had experienced; critical circumstance they had gone through; relationships and interactions with others; and formal training and education. Similarly, Dalton et al. (1999) emphasised that 75 % of career events that top managements attribute to their successful development derived from a combination of learning from experience in taking responsibility for routine tasks, and learning from organisational members.

In addition, Noruzy et al. (2013) predicted the connection between leadership styles, organisational learning, knowledge management, organisational innovation and organisational performance. They found that transformational leadership positively and indirectly influenced organisational innovation through organisational learning and knowledge management. Knowledge management and organisational learning influenced organisational performance indirectly by organisational innovation. They also recommended that top management should consider applying a transformational role and the use of organisational learning and knowledge management; this would create organisational innovation and consequently enhance organisational performance. Correspondingly, Bryant (2003) asserted that transformational leadership could be more effective at creating and sharing knowledge at the individual and group levels, while transactional leadership is more practical at developing knowledge at the organisational level.

Similarly, Glastra et al. (2004) proposed that the organisation-created learning environment may support top management in developing the skills and reflexivity

needed to handle the responsibilities necessary in today's business. Likewise, Salge et al. (2013) found that the relationship between knowledge management and leadership styles of top management could be helpful where there is an effective leadership style and helpful organisational environment for sustaining learning within the organisation.

PKM may thus facilitate top management in recognising how to adopt their experience to develop their leadership style. In turn, top management may be able to transfer knowledge and strengthen their organisation for future challenges and increasing competitive and innovative capabilities. Therefore, this may show that top managements' different approaches to individual learning may influence development of their leadership styles.

Wang and Poutziouris (2010) have scrutinised the relationship between leadership styles and organisational performance. They obtained complete data from a variety of sources for 5,710 SMEs in the UK. They found that there is a strong connection between the two variables and suggest that leadership training programmes provided by local government and development agencies are necessary for improving leadership skills for top management.

In a different context, Fred et al. (2005) studied the nature of the relationship between transformational leadership and two work-related attitudes, organisational commitment and job satisfaction. They compared Kenya and the United States, obtaining a response rate of 82% from Kenya and 86% from the USA (158 and 189 respondents, respectively). They concluded that transformational leadership has a strong and positive significant association with organisational commitment and job satisfaction in both cultures. Mirkamali et al. (2011) studied the connection between leadership style and organisational learning in commercial organisations, with 120 members of top management being asked to participate in the data collection. The results show a strong connection between learning and leadership, suggesting that positive and meaningful relations were revealed between the components of transformational leadership and organisational learning. In particular, idealised influence (behaviour) as one of the dimensions of transformational leadership is the most important predictor of organisational learning, as suggested by Longest et al. (1993). Also, they found that experience was not correlated with organisational learning, but gender and education are.

In terms of cultural differences, Hofstede (1993, p. 81) emphasised that 'there is no such thing as universal management theories'. Also, he explained the process of top management in the American sense that (1) top management apply skills to manage the organisation only, but do not own the business; and (2) top management create and motivate teamwork among organisational members. Top management carry a high status and many American men and women aspire to the role. In the US, the top manager is a cultural hero. Hofstede (1993, p. 86) also studied the effect of Chinese culture. Taiwan, Hong Kong and Singapore are composed of overseas Chinese with wealthy economic status, compared to those living in other parts of Asia. Overseas Chinese also play a very important role in the economies of Indonesia, Malaysia, the Philippines and Thailand, where they form an ethnic minority. Hofstede (1993) asserted that these overseas Chinese firms rely on

networking in certain areas they are familiar with; these networks are built on trust among Chinese firms' members. They are family-owned, and most of the decision-making is in the hands of one dominant family member. They are likely to keep a low profile. This shows that the diversity in management accepted in one nation may not be recognised in another, due to the difference in culture (Gathers 2003). Similarly, the most appropriate form of management may vary between countries. Based on Hofstede's work (1993, p. 86) the culture of overseas Chinese may also influence the style of top management in Thailand, in managing their firms differently, such as their focus on one product and market, and relying on personal trust to build up a network.

In addition, even though effective leadership is widely seen as desirable, in some cultures this is not the case. The study by House et al. (2004) into the relationship between the effectiveness of leadership and different cultures looked at six culturally implicit theories of leadership: Charismatic/Value-based, team-oriented, participative, autonomous, humane and self-protective. In most cultures, the first of these is considered most desirable. The second is desirable. The other leadership styles, except for self-protective, are seen as acceptable. But whereas the first is universally desirable, the other patterns are often culturally contingent. To be ambitious, for instance, is 'appropriate' in some cultures and 'inappropriate' in others. They also found that performance orientation is related to all culturally implied theories of leadership, except for self-protective. Self-protective leadership focuses on ensuring the safety and security of the individual and group through status enhancement and face saving. This leadership dimension includes five sub-scales labelled (a) self-centred, (b) status conscious, (c) conflict inducer, (d) face saver and (e) procedural. Furthermore, self-protective leadership is linked especially to charismatic leadership.

However, House and colleagues (2004) found that the respondents in Thailand attained the highest rate of self-protective, which is closely linked to the Charismatic/Value-based leadership. This may imply that different patterns of leadership style may be perceived as good patterns dependent on cultural factors. In particular, House et al. (2004) proposed that Thailand is a developing country, the majority of whose people are Buddhist. They also suggested that in developing countries, particularly in the rural areas, the normal way of life is such that children take care of their parents and provide material help in their old age. The social norms help create culture. It is possible that Thailand as a Buddhist country reflects a diversity of cultures.

Fundamentally, followers of this religion are encouraged to progress from becoming more compassionate to becoming more generous, to detaching themselves from worldly desires, to becoming more focused mentally on spiritual wisdom and purity (House et al. 2004). Hence, it may be possible that the religion of Thailand has developed a culture in which Thais are likely to be generous and normally look after their parents in their old age. So, the findings showed that the Thai respondents attaining the highest rate of self-protective, closely related to Charismatic/Value-based leadership, are likely to inspire, to motivate and to anticipate high-performance outcomes, and are relatively committed to the teaching of Buddhism, which encourages people to be kind to others.

Related to its culture, House et al. (2004) also found that Thailand scores highest on the Future Orientation value scale, defined as the degree to which individuals in organisations or societies engage in future-oriented behaviours such as planning, investing in the future and delaying individual or collective gratification. They proposed that this may be because Thailand has a distinct emphasis on Buddhism.

In contrast, they found that the industrialised or developed countries with higher income populations attained a lower score on the Future Orientation value scale. They explained that the higher income nations may prefer to appreciate the present more because they have already accumulated substantial wealth and material resources. The lower income nations may see a stronger need for taking a long-term perspective and sacrificing for the future because they must contend with limited resources. Also, the effective leadership is closely connected to transactional leadership in which top management have almost absolute power to manipulate the organisation. Effective top management is expected to have a greater knowledge than his or her organisational members. Although the organisational members may have questions or feedback, this may be interpreted as impolite or disloyal (Holloway 2012; Hellriegel and Slocum 2011). This shows that culture may influence the perception of Thais to have different concepts from others.

To conclude, Bass and Avolio's approach is arguably one of the most prominent leadership theories in contemporary research. It provides much insight into how to create, change and sustain organisational learning (Avolio and Bass 1995; Brown and Keeping 2005; Judge and Bono 2000; Gleue 2002; Shin and Zhou 2007).

Although a number of scholars have declared that leadership is positively related to organisational performance, the interplay between leadership and diversity remains largely unexplored (Jackson et al. 2003; Kristy et al. 2007), suggesting that the demographics of top management need to be studied, as well as leadership and PKM. Bass (1997) and Seltzer and Bass (1990) pointed out that transactional and transformational leadership should not be viewed separately. Both relate to how to inspire employees and increase organisational performance, including consideration of individuals, intellectual stimulation, inspirational motivation and idealised influence, as well as how top management can provide rewards appropriately. Hence, top management who practise both transactional and transformational leadership may increase the level of organisational performance.

Nonetheless, based on Hofstede's (1993) belief that 'there is no such thing as universal management theories', not only did House et al. (2004) say that Thailand is a developing country most of whose population is Buddhist; Hofstede (1993) also asserted that Thailand is influenced by the overseas Chinese culture, in which top management may develop different approaches to achieving organisational goals, such as focusing on cost cutting or pricing strategies. So, it is possible that with different cultures, top management may develop different ways to improve organisational performance. To a large extent, the leadership style supportive to a particular business is in need of further investigation. Taking into account the various strengths and limitations of previous research into leadership styles, this study attempts to incorporate Bass and Avolio's leadership theory specifically, and to study its relationship to organisational performance.

2.1.10 Organisational Performance

For decades, the term ‘organisational performance’ has been defined from a wide range of perspectives; some scholars distinguish it as multi-dimensional, proposing that each organisation has particular criteria for organisational performance, and the criteria applicable in one organisation may not be appropriate in others (Grünberg 2004; Lumpkin and Dess 2001). The organisational performance factors identified in specific cases are associated with individual local cases and purposes. Hence, it is essential for the fundamental components of organisational performance to be appropriately characterised (Grünberg 2004). Nonetheless, scholars have developed a definition of organisational performance and criteria pertinent across organisations and meaningfully located within a general theoretical arrangement (Bandura 2000; Bolino and Turnley 2003; Chan 2009; Hornaday and Wheatley 1986). Traditional analysts emphasise that organisational performance for small business ventures embraces explanations of why people start their ventures, what problems business ownership overcomes and generates for the owners or top management, and specifically what the firm’s top management actually desire to achieve for themselves (Beaver and Jennings 2001; Chaganti and Chaganti 1983; Marlow and Patton 1993; Thorpe 1989; Storey et al. 1987).

Recently, researchers have emphasised that understanding organisational performance can help to distinguish techniques for improvement (Halachmi 2005; Dess and Robinson 1984). Academic researchers have described organisational performance as an umbrella term for all concepts that consider the success of a company and its activities. Different organisations have different purposes in running their business; therefore, the determined goals of each organisation may be different and the levels of organisational performance may be varied (Fan et al. 2014). Organisational performance could be defined as the ability to reach a desired objective or the degree to which anticipated results are achieved (Stefan 2005). It could also be well-defined multi-dimensionally by looking at four different categories: achieving organisational goals, increasing resourcefulness, satisfying customers and improving internal processes (Cameron 1986; Redshaw 2001). Organisational performance also serves the purpose of monitoring performance, identifying the areas that require attention, enhancing motivation, improving communications and strengthening accountability (Waggoner et al. 1999). Amaratunga and Baldry (2002) defined organisational performance as a concept to help an organisation to set agreed-upon goals, allocate and prioritise resources, inform top management to either confirm or change policy or programme directions to achieve those goals, and share results of performance in pursuing those goals.

Furthermore, organisational performance can refer to the level of productivity that the organisation can accomplish towards attaining its goals, increasing organisational resources, meeting customers’ needs and improving internal processes. Scholars have proposed that the organisation’s resources are the source of sustainable competitive advantages to support the organisation in improving performance (Dierickx and Cool 1989; Afiouni 2007). These resources must be rare,

valuable, without substitutes and difficult to imitate (Alvarez and Barney 2002; Markides and Williamson 1996). In order to sustain organisational competitiveness and success, organisational learning concepts have been offered to facilitate and enhance levels of productivity (Paparoidamis 2005; Dunphy et al. 1996; Ghobadian and O'Regan 2006).

Simultaneously, evidence shows that organisational performance is used to determine organisational learning in different areas (see, for example, Murray 2003; Panayides 2007; Pemberton et al. 2001; Spicer and Sadler-Smith 2006; Vakola and Rezgui 2000; Vincent and Ross 2001). Similarly, a variety of approaches to evaluating organisational performance have been applied to help continue learning in the organisation (see, for example, Afiouni 2007; Aragon-Correa et al. 2007; Chang and Lee 2007; Michie and Sheehan-Quinn 2001; Michie and Zumitzavan 2012). Marr (2006) recommended that it is important to create a learning environment in the organisation in order to heighten organisational performance. Kaplan and Norton (1998) proposed that there is a close connection between organisational learning and organisational performance; in order to embolden the learning environment in the organisation, the top manager is the key person encouraging this to take place.

In more detail, Marr (2006) said that it is essential that not only do top management need to participate in supporting a learning environment but also all organisation members. To do so, he suggested that the organisation needs to encourage organisational learning through a social context in which members can share knowledge both tacitly and explicitly, and encourage commitment, collaboration, mutual respect and a sense of belonging. Specifically, every organisational member needs to feel important to the community and integrated to create value as a whole. In an even more complex example from the service business sector, Singapore Airlines has encouraged all of its staff to share and relocate knowledge jointly. This leads to the development of an 'organisational identity', so that all members feel that they are important to the organisation and are fully willing to serve customers to the best of their ability (Chong 2007). To encourage learning in the organisation, Singapore Airlines provided training from the lowest to the top positions of the organisation. Eventually, as in the healthcare industry, Liu et al. (2006) and Rusnakova et al. (2004) established that customer satisfactions had been raised and, in turn, organisational performance had been improved.

Researchers generally view organisational performance by two main measures: Objective and subjective. For example, Waybright and Kemp (2012) compared objective measures to the scores of league sports; financial statements help the scorekeepers, or accountants, to collect financial data about how well the organisation has scored; data such as sales volumes, profits or return on assets is taken from financial records and externally recorded and audited accounts. Against this solid evidence which determines which team wins, there are subjective measures as reported by respondents themselves (Wall et al. 2004).

Several studies have considered the relationship between different management concepts and organisational performance in the form of objective measures (Zahra et al. 2007b). For example, Tower et al. (2007) studied relationships in the small

business sector between family businesses and organisational performance, concentrating on financial performance. A sample of 241 small firms was surveyed. There were significant differences in the planning processes between businesses that held family meetings and those that did not. No differences were found in the performance measures. Significant relationships between family meetings and both planning processes and performance measures were found. In addition, Carlson et al. (2006) analysed a sample of 168 family-owned fast-growth small and medium enterprises to empirically examine the consequences of five human resource practices on sales-growth performance. They found that training and development, a recruitment package, maintaining morale, use of performance appraisals and competitive compensation were more important for high sales-growth performing firms than for low sales-growth performing firms (Carlson et al. 2006).

Furthermore, Pett and Wolff (2007) explored the connection between product improvement and organisational performance based on the growth of the organisation as one dimension and profitability as another. Their sample of 855 small- and medium-sized organisations was randomly selected. They found that the product improvement orientation was positively related to growth and financial performance, that is profitability, but the process improvement orientation showed no statistical relationship to growth or ultimately to profitability.

On the other hand, subjective measures of organisational performance (Garg et al. 2003) are cost-effective because data can be collected through questionnaires or interview surveys that simultaneously obtain information on practices. In smaller organisations there may be few appreciable financial records, and even for those organisations which do keep such records, the data may not be held in an appropriate form compatible with the required level of analysis. In general, subjective measures tend to involve questioning respondents to evaluate their company's performance against their competitors' (Wall et al. 2004).

Subjective measures have been widely used to measure organisational performance in the service sector, and in particular in the healthcare industry (Ramasamy et al. 2007; Patton et al. 2000; Sahay 2005). To elaborate, the data collected for measuring the levels of organisational performance must be interconnected with the dimension of the organisational goals so that the organisation can compare itself with competitors in the same business sector. Marr (2006) proposed that in measuring organisational performance, an organisation must focus on its specific goal. As an example, some organisations may rely on the number of calls from call centres to measure customer satisfaction. Similarly, a department store may rely on the number of people visiting per day, although some of these observed people may not be customers as they do not purchase any products from the store. Thus, to accurately measure organisational performance subjectively, appropriate data must be collected that is strongly related to organisational goals.

For example, the researchers have found that there is a close link between the balance scorecard (BSC) and the perception of organisational members, considered a subset of subjective measures to evaluate different levels of organisational performance. They found that the BSC can help the organisation to fill missing areas of organisational development, even though the BSC remains imperfect (Correa et al. 2014).

However, there is academic research from the Medical Group Practice Environment (Minnis and Elmuti 2008) which evaluates the relationship between objective and subjective measures by testing the correlation between financial performance and perceived performance. The statistical test indicates that there is no correlation between the two variables; however, the authors advised that different cultures, regions and business sectors may produce different results. To summarise, organisational performance can be measured objectively and subjectively. Objective measures rely on the complete record of company data whilst the subjective measures tend to ask respondents to appraise their organisational performance vis-à-vis their competitors. Thus, organisational performance can be determined by concentrating on different measurements, according to the goals of each organisation.

The nature of small business means that top management plays a vital role in establishing and developing the organisation; however, the relentless drive for personal achievement may reduce growth potential and ultimately may threaten the survival of the organisation (Bellas 2004). The top manager is the key person in the organisation who clarifies the organisational goals and in turn drives the level of success in the organisation. In order to accomplish the organisational goals, the top management needs to understand and explain organisational performance, which could then help in piloting the organisation to achieve its goals. Several researchers have suggested approaches to improving the organisation, through good management to accomplish effectiveness, so understanding organisational performance could support the top management to run the company more effectively at different levels.

In addition, Pett and Wolff (2007) recommended that organisations in the same environment but of different sizes may create different levels of organisational performance. A variety of academic researchers found both negative and positive correlations between the number of employees and organisational performance. Arocena et al. (2007) investigated the relationship between gender and financial performance in 160 small accounting practices. The findings suggest that although financial performance appears to be significantly different for female-owned and male-owned organisations, these performance differences are explained by several variables other than gender directly.

Similarly, Wiersema and Bantel (1992) studied the relationship between the demographics of top management and organisational performance in American companies. They found an important association between the demographics and corporate strategic change, in turn improving organisational performance. They found that younger top management with less experience and higher levels of education contributed to generating higher levels of performance. Correspondingly, Al-Ahmadi (2009) investigated the relationship between the demographics of top management and organisational performance in a hospital in Saudi Arabia. The results indicated that job performance is positively related to some personal factors, including years of experience, nationality, gender and marital status. Level of education is negatively related to performance. Experience, nationality and marital status are significantly correlated with organisational performance, but level of education has a negative correlation.

Kotey and Folker (2007) supposed that education, type of employment or industry, and other types of experience help to prepare top managements for the challenges of business competition and to transfer their knowledge, skill and experience to employees; these are related to organisational performance. Shrader and Siegel (2007) studied the relationship between key attributes of top management and organisational performance. They applied longitudinal studies to investigate 198 high-tech organisations and found characteristics that are significantly related to organisational performance. In particular, technical experience has a direct association with organisational performance (Shrader and Siegel 2007). So, it appears that the top management of a small firm is the one who is most appropriate to evaluate its organisational performance.

Hodges and Kent (2006) scrutinised the relationship between planning sophistication and organisational performance. This research took a different approach by using a one-on-one interview technique with closed questions to evaluate management perceptions of planning sophistication and its relationship to perceptions of organisational performance. The results show that top management's perceptions of greater sophistication in their planning efforts are slightly positively related to perceptions of better organisational performance. They emphasised that increased knowledge would have some impact on an organisation's future performance.

2.2 The Link Between Personal Knowledge Management, Leadership Styles and Organisational Performance

Smith and Kolb (1996) argue that people learn through their experience, and that the role of experience is important in shaping the process of learning. Relating this to the leadership style of top management, Kouzes and Posner (1995) argue that role experience is powerfully associated with the manner in which top management acquire leadership skills. This suggests that the role of experience would allow top management to effectively learn from their own experience and the experience of others (O'Sullivan 1999). Brown and Posner (2001) found that how people learn is significantly associated with how they act as top managers. The results also specified that top managers who frequently engaged in PKM also employed a greater variety of leadership styles, such as challenging, inspiring, enabling, modelling and encouraging. PKM and transformational leadership style are significantly correlated.

Marquardt and Waddill (2004) also asserted that what top management learn and how they learn cannot be separated, because how individuals learn influences what they learn. This suggests that PKM which enables individuals to understand how they learn may help them to learn more successfully. Ellinger et al. (2002) discovered that most organisational members learned in an informal manner. Furthermore, Fox (1997) proposed that much of what is learned by top management is learned informally.

On the other hand, McCall et al. (1988) found that the factors that impact on the development of leadership are job assignments experienced by top management, critical situations they had gone through, relationships and interactions with others and formal training and education. Posner (2009) also proposed that people learn from their experience, whether formal or informal, structured or naturally occurring. This indicates that while top management may learn through their experience, PKM has a positive correlation with leadership styles, and may help them to apply and learn more effectively through their experience (Jones 2013).

In addition, researchers in multidisciplinary areas revealed that PKM influences the development of skills and attitudes, initiating more effective cognition, communication, collaboration, creativity, problem solving, lifelong learning, social networking, leadership and the like (Doyle 2014). These approaches raise PKM to a more sophisticated level than information management, and can help individuals acquire useful knowledge and organise it into a perspective enabling more effective decision-making in their day-to-day responsibilities (Zuber-Skerritt 2005; Durand and Dorsey 2000; Jefferson 2006).

However, Dawson and Andriopoulos (2014) argue that it is important to note that under different forms of organisational structure, management style, organisational culture and business sector, different organisations may acquire different levels of organisational performance. They claimed that it may be significant that even though some organisations have skilful top management, the level of success may be varied because some but not all of top management directly organise the firm. Hence, the levels of transition knowledge in different organisations may be varied, and this may influence the level of organisational performance. Further, even though transformational leadership is known as the appropriate style of leadership for top management who are seeking to transfer and encourage knowledge within the organisation, there are other influencing variables since the process involves different experiences, styles of perceiving information or notions of the top management and organisational members. Faust (1984) said that 'scientists may have sufficient cognitive ability to comprehend relationship among variables, but insufficient ability to comprehend more complex relationships'.

If nature revealed everything to us, how much would we be able to understand? Similarly, to what extent can the differences in experience, educational levels, PKM and leadership styles of top management transfer and knowledge to organisational members and how can these influences be linked to organisational performance? In turn, can they be related to how much organisational members perceive and interpret the notions they implement in their day-to-day responsibilities, ultimately enhancing overall organisational performance?

According to Posner (2009), individuals capable of understanding different circumstances and developing in different situations would have an advantage in learning how to lead and potentially become the best top management. This happens because they are better able to appreciate a variety of situations than those more narrowly focused or limited in their methodology for learning, and hence are more successful leaders. Posner (2009) also suggested that leadership development

is a learning process in itself. Hence, PKM can help individuals seeking to understand how to learn effectively; they may utilise their leadership style to manage their organisation under any circumstances.

Justifiably, the determined development of top managements has a positive influence on organisational performance (Mabey and Ramirez 2005). Top management who know how to learn and utilise their leadership effectively would be able to make use of the unique capabilities of their employees through HRM practices. In the long term, this would enhance organisational performance.

2.3 Conclusion

This chapter has surveyed the literatures related to the notion of PKM, leadership styles and organisational performance, and has pointed to the connection between these concepts, which is the focus of our research reported in this book. The following chapter discusses the quantitative methods we applied for this research.

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