

IMPACT OF KNOWLEDGE SHARING AND TRANSFORMATIONAL LEADERSHIP ON ORGANIZATIONAL LEARNING IN SERVICE SECTOR OF PAKISTAN

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ABSTRACT

The purpose of this study was to investigate the impact of knowledge sharing and transformational leadership on organizational learning in different service organizations working in Pakistan. In order to obtain the data, 150 questionnaires were distributed in different service industries including Manufacturing, Banking and Telecommunication out of which 103 questionnaires were received at a response rate of 77%. Pearson's moment correlation and linear regression was found to determine the nature and strength of relationship between knowledge sharing, transformational leadership and organizational learning. The study showed significant relationships between the three factors and provides directions for managers to promote organizational learning specifically in Pakistani context.

Keywords: *Learning Organizations, Organizational Performance, Transformational Leadership, Service Sector, Pakistan.*

INTRODUCTION

The problems being faced by business community at large are becoming more and more serious and complex. So there is a need to steer such changes and address these problems in our works as well as in personal life. According to Sharma and Khandekar (2004), the successful organizations in this regards are seen to be those that have institutionalized the necessary infrastructure and processes to encourage the people for innovative ideas and learning.

In the recent decades, there has been a growing interest in organizational learning, based on a belief that organizational learning is very crucial and of key importance for organizations to survive in the competitive world of today. But still there has not been much research and many areas are required to be explored today. According to Senge (1990), an organization is learning when it can bring about the future it desires most. Learning is not just a way to create the future you want in the business world. In fact, it may actually be the edge it needs to survive and thereby keep fulfilling its purpose. Organizational learning is the process of improving actions through better knowledge and understanding (Lyles & Fiol, 1985).

Organization learning is only possible when the organization provides such an environment to its people so that they learn and as a result of that learning improve their skills, abilities and knowledge. Providing such an environment to its people benefits the organization itself more than to its people in the sense that the people will work with their full potential and it will help the organizations to solve the problems in its face.

If we see at a global level, particularly, in the developed countries, the structure and culture of organizations are designed in such a manner that these provide a learning environment for the people who work for the organization. They know that if they provide a learning environment to its people, it will help not only the people themselves but the outcomes would be beneficial for the organization itself. The same is the reason why we find such organizations to be more successful than others. According to Dunphy and Griffiths (1998), “organizational learning presents an important route to performance, success and competitive advantage for the organizations”.

If we consider underdeveloped countries, we will find less examples of such a trend of organizational learning behavior. Most organizations in such countries hardly earn its livelihood. They are short of resources so they just focus on their key operations without having concern about innovation or providing a better working environment to its people. If such organizations even try to think of doing such a thing it would become difficult for the organizations to survive. But still there exists some organizations in these countries where organizational learning environment is being provided to its people. Such organizations mostly include multinationals operating in such countries.

Organizational learning depends on various factors with each factor playing a prominent role. Such factors include knowledge sharing and transformational learning. Knowledge sharing is usually defined as the exchange of employees' experiences, knowledge and skills throughout the organization. Sharing of knowledge within an organization provides the opportunity for people within the organization to learn from others, hence it promotes organizational learning. When people share knowledge even not related to their work with other people, it somehow allows them to learn something.

Effective transformational leadership is also essential to organizational learning. The people inside organizations always learn from their organizational leaders because leaders may set specific goals and introduce new ideas into organization and encourage employees to engage in innovative initiatives. Such innovative initiative allows people to learn inside organizations. So transformational leadership is directly related to the organizational learning. So the organizations which lack transformational leadership qualities, it is very difficult for them to provide a learning environment.

LITERATURE REVIEW

The sharing of knowledge by employees enables the firm to improve innovation capability (Han & Anantatmula, 2007). According to Harbi, Anderson, and Amamou (2011), the knowledge sharing is very important for the success of a company so the companies had developed well established systems for sharing of knowledge. The organizational climate had a significant effect on the sharing of knowledge and IT support had no significant effect on knowledge sharing (Lin & Lee, 2006). According to Burke (2011), knowledge sharing is a key determinant for the success of the business.

Yuen and Majid (2007) revealed that students showed a positive trend towards knowledge although the knowledge they shared was less relevant to their academics. By the use of knowledge sharing applications which includes XML, HTML and RSS, the performance of the organizations can be increased (Hedgebeth, 2007). The online delivery of tourism knowledge save much of the time of operators and keep them up-to-date about related information (Braun & Hollick, 2006). The knowledge sharing behavior had a negative impact on the turnover

intentions (Jacobs & Roodt, 2007). Knowledge sharing is influenced by various factors in IT firms. Such factors involve availability and usability of technology (Han & Anantatmula, 2007).

Installation of digital repository in organizations is important for easy, efficient and fast retrieval of information (Doctor, 2007). Association between personality and transformational Leadership exists according to the results indicated in various studies. The intuitive, extraverted and perceiving preferences favor transformational leadership according to leader's self-ratings. On the opposing, subordinates' ratings pointed that leaders with sensing preference are associated with transformational leadership (Hautala, 2006).

Five statistically significant discriminate items were found that differentiated between servant and transformational leadership through discriminant analysis (Parolini, 2009). An environment-induced model of transformational leadership was developed in this article which identifies three types of transformational leaders. Revolutionary transformational leaders are probable to emerge in organizations operating in unstable environments and whose members show either a high or a low degree of expediency. On the other hand, "evolutionary-transformational leaders are likely to emerge in less volatile environments whose members show a high degree of receptivity, and transgressor-transformational leaders would emerge in less volatile environments whose members show a low degree of receptivity" (Beugre, 2006).

Various aspects of transformational leadership can influence task and attitude related outcomes that indicated in area of leadership after findings in research. Current study of research also indicate that participants about recognized the projected characteristics of remote leader (Kevin, 2002).

"Both transformational leaders and servant leaders are futurist, generate high levels of conviction, serve as role models, show deliberation for others, delegate tasks, empower followers, teach, communicate, listen, and influence followers". Most importantly, transformational leaders have a tendency to focus more on organizational objectives while servant leaders focus more on the people who are their followers (Beugre, 2006). Degree of apparent burnout is related to degree of apparent stress and

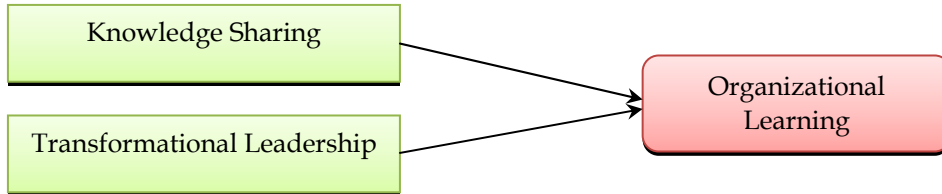
degree of apparent stress is related to kind of leadership employed by manager (Gill, 2006).

Dyad-specific perspective taking is related to transformational leadership behavior. Furthermore, it is not related to transactional leadership behavior as indicated by a result (Gregory, 2011). The interpretative investigation shows that the TL and the MLQ have not included emotions and emotional competencies steadily. Emotions and emotional competencies should be reassessed more broadly in the debate surrounding TL and its resultant instruments as the research proposed facing conceptual deficits and various omissions (Kupers, 2006). Full range leadership is the most important and debatable model in worldwide today. The model described transformational styles are highly correlated with leadership success (Kirkbride, 2006).

Transformational leadership theory presents a means to augment our knowledge of team performance. Even though the combination of transformational leadership theory into team performance and development is somewhat difficult (Dionne, 2003). It can be questioned that organizational learning will appear when action learning programs are built around particular learning experiences; This may be surmount over by using action learning as a form of management control (Loo, 2006). There were scales, which assess Learning enablers or learning accomplished or learning in general or the relation among some forms of learning with performance. This study could amalgamate learning enablers at three levels, learning achieved at three levels, and the organizational result in the structure of performance in a solitary scale (Jyothibabu, 2010).

Considers OI and OL together to endorse organizational entrepreneurship and to raise competitive advantages. Empirically reflects the need to build up different strategic capabilities to attain an adequate level of both organizational issues and thus advance performance and persuade entrepreneurship (Garcia-Morales, 2006). Revolutionize to organizational coordination and structure has led to a state of not-knowing which donates to defensive dynamics. Learning commences with the unlearning of old habits by hopefully new thinking patterns through exact feedback loops. Potential of leaders should also be reallocate to facilitate and mix the various features of learning (Yeo, 2007).

In the E-MEMORAe environment, learning content is indexed by knowledge and Competencies organized by means of ontologism. Learners can acquire these knowledge and these competencies by doing dissimilar tasks, way in different contents. In the memory, competencies are defined via the knowledge they facilitate to be put into practice (Abel, 2008).



On the basis of above arguments, the following hypotheses emerge;

H1: Knowledge sharing has a significant positive influence on organizational learning.

H2: Transformational leadership has a significant positive influence on organizational learning.

METHODOLOGY

To investigate the impact of knowledge sharing and transformational leadership on organizational learning, data collection technique of questionnaire was adopted and 103 questionnaires were received out of 150 that were distributed to collect the data. The population in this study was employees from Manufacturing, Banking and Telecommunication sector in Punjab province of Pakistan. These questionnaires were distributed among employees and leaders of these companies. A non-probability random convenient sampling technique was used to select the sample to get responses at the useable rate of 68.8%. Questionnaire was classified into different sections. First section was of personal profile that presents information regarding gender, age, marital status, sector, job tenure and establishment size. The sections B, C and D comprised of the information about knowledge sharing (KS), Transformational leadership and Organizational Learning. A five points Likert scale was used to measure the responses of the respondents.

ANALYSIS AND DISCUSSION

To determine the impact of knowledge sharing and transformational leadership on organizational learning descriptive statistics and Pearson moment correlation is applied while Cronbach’s alpha is also mentioned in table1. Mean, Standard Deviation and Alpha values are shown in table1.

Table1: Mean, Standard Deviation, Cronbach's Alpha (N=150)

	<i>Mean</i>	<i>S.D</i>	<i>Alpha</i>	<i>KS</i>	<i>TL</i>	<i>OL</i>
Knowledge Sharing(KS)	4.02	0.45	0.82	1.00		
Transformational Leadership (TD)	3.67	0.52	0.77	0.51**	1.00	
Organizational learning (OL)	3.81	0.66	0.78	0.91**	0.75**	1.00

As shown in the table above, the mean of knowledge sharing(KS) is 4.02 which shows that out of 150 respondents among whom the questionnaire were distributed, most of their responses was close to 4 which referred to as “Agree” which shows that knowledge sharing (KS) had key impact and its standard deviation as shown in the table is 45% that shows that 45% variation among responses from strongly disagree to strongly agree of the respondents and the reliability of 82% that shows 82% reliability of the survey about knowledge sharing.

In the case of transformational leadership (TL), the mean of the 150 respondents was 3.67 which is close to 4 which shows the most of the respondents mark “Agree” and the standard deviation is 0.52 which was 52% that shows 52% variation among the responses and the reliability was 77%.

In case of Organizational learning (OL), out of 150 respondents the mean value was 3.81 which was close to 4 which shows “Agree” and the standard deviation was 66% that shows that 66% variation among responses from strongly disagree to strongly agree of the respondents and the Alpha was 78% which shows the reliability.

CONCLUSION

Organizational learning is the need of current competitive business era. It should be promoted in every organization. The integration of executives plays a key role in facilitating the development of organizational learning capability in such a process and it is possible with transformational leadership capabilities within an organization. Knowledge sharing and transformational leadership is considered as significant factors for transformational leadership. Therefore, a suggestion is that further research should be examined in other sectors for more concrete results. Future research should also effort to achieve a larger population sample size. Future researchers can apply other statistical tools and methods. Future research should also focus on other factors which have influence on organizational learning.

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