

Relationship Between Transformational Leadership and Knowledge Management

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Abstract

If today's organizations are not able to adopt themselves with environmental changes, they will lose the competition. In such a condition, organizations are in need of leaders who are capable of turning their companies into one having more ability to progress and even to survive in those situations. Transformational leaders guide organization from present to the future and apply suitable changes to support the organization's objectives. Besides, knowledge management is a crucial influential factor in helping organizations survive and gain success in such a competitive environment and in this Information Age. Also, considering the fact that leaders play the role of a sample for others, their leadership style is directly influential in organization's tendency and manner of facing processes and steps of knowledge management. Therefore, this article intends to find the relationship between transformational leadership and knowledge management in Alvan Sabet Company. For this purpose, having done a revision of the existing literature on the field, we established five main hypotheses and four sub-hypotheses. To test the research hypotheses we have used questionnaires having been distributed among the population. The population of this research includes all the experts and masters of Alvan Sabet Co. totally being 47 in number. Regarding limitation in population size we have used census method in this research. We've made use of descriptive statistics technique to analyze demographic variables and to investigate the hypotheses, we have used Pearson Solidarity Test and Spearman. The result shows that the correlation between the transformational leadership style and knowledge management has been 0.784 which is considerably high.

Keywords: Transformational leadership, knowledge management, information age, Alvan Sabet Company

Introduction

Leadership is one factor playing such a crucial role in improving organizational performance. One can define the term 'transformational leadership' as one form of leadership helping all the members of the organization become aware of their final objective and hence reach their collective goals. The subject, in fact, has been the focus of many attaching a high value to transformational leadership for its being an influential factor in increasing the efficiency of the work being performed. As Bass and Riggio (2006) suggest Transformational leaders express high expectations, provide individualized development, articulate a compelling collective vision, and achieve extraordinary results.

Being a significant factor influencing the leadership style, knowledge is also considered a valuable measure to help the organization gain success (Zhang, Wang, Xiongfei, Wang, & Zhao, 2012). Recent studies done by Abdul-Rahman and Wang (2010) demonstrate a poor functioning of industries in managing knowledge resulting in an enormous waste of resources and undesired effects to quality. Knowledge management can be regarded as one factor influencing and hence shaping and covering an organization's workforce (Hislop, 2009). It has been proved that knowledge management is an advantageous factor in creating a useful and efficient environment in today's business (Pathirage, Amaratunga, & Haigh, 2007). The objective of knowledge management is to create an environment for individuals enabling to communicate and exchange knowledge more efficiently (Margaryan, Milligan, & Littlejohn, 2011).

Moreover, leadership plays such a crucial role in soothing the way for gaining success in any scheme within a company. Furthermore, its impact on knowledge management can be regarded as even highly more since it is an almost new discipline (Mahmoudsalehi & Moradkhannejad, 2012). In spite of the fact that many studies have been done on many aspects of knowledge management, no such great attention has been paid to the relationship between styles of leadership (Transformational and Transactional) and knowledge management. The present literature on knowledge management emphasizes the significance of leadership styles in creating a better knowledge management activity (Bell De Tienne, Dyre, Hoopes, & Harris, 2004). Lakshman (2007) in his studies done on the unsuccessful efforts on knowledge management remarks that "the growing literature on knowledge management has stressed the lack of leadership support for the failure of many knowledge management projects" and actually considers styles of leadership as a significant factor influencing knowledge management activities. However, not so many works have been done to demonstrate which kinds of leadership (Transformational & Transactional) are more influential in the activities on knowledge management (Hislop, 2009).

Alvan Sabet Company is the biggest producer of textile dyes in the Middle East to cover the textile and leather coating. This company started to enhance its technical knowledge and recruited experienced experts and also upgraded the quality of its production to the level of international standards in 2002. According to the participation of the company in the Middle East markets and also regarding the fact that the company is trying to take part in European markets, implementation of knowledge management can help the organization get prepared to face up to its rivals.

Moreover, a preliminary study conducted by a researcher in Alvan Sabet Company demonstrated that the data is blocked in different units and for different individuals and others, there is not easy access to the data. The strategies and programs developed to acquire, distribute and share knowledge have not been very effective and it can be claimed that no knowledge has practically been created. It also seems that the current knowledge is a collection and processing of the prior knowledge present in the organization. Furthermore, according to the interview conducted with the staff, it has turned out that in this organization management is performed in a totally traditional way and innovative styles are not much applied. If the relationship between transformational leadership and knowledge management is proved, the organization can prepare necessary conditions for implementing knowledge management through developing the style of transformational leadership and in that way, it can compete with other rivals in the present competitive context.

The objective of the present paper is to survey the relationship between transformational leadership and knowledge management in Alvan Sabet Co.

Role of Knowledge and Knowledge Management (KM) in Change Process

On the one hand, globalization and the development of information and communication technology in all aspects of life, and developing concepts and terms such as information society and knowledge economy on the other, have greatly affected the conditions governing the work place and organizations. Therefore; to be responsive to this condition and to maintain its competitive benefits, the organizations have to create some changes in the performances of organization and work force which is simply impossible without applying an appropriate knowledge management. Therefore; it can be mentioned that in the present competitive condition, performing the techniques of knowledge management can be regarded as a suitable response to the phenomenon of knowledge economy and to the daily increasing external environment of the organization (Canter, Joel, & Schmidt, 2009).

Along with the transition from an industrial society to a knowledge society, acting knowledge out can be regarded as one of the most significant factors in success and development of business in the societies. In environments experiencing rapid change and being affected by ambiguity and uncertainty, knowledge is considered to be the most valuable property of the organizations (Plessis, 2005).

That how organizations should be led in order to generate and nurture knowledge and that how one is able to interact with the increasing number of companies can be regarded as the main issues that many organizations are facing in the millennium. One huge challenge that transformational leaders are facing in the millennium is the huge number of force labor and also finding ways to encourage each employee to put his potentials like his knowledge into practice (Goudarzvandchegini, 2011).

The importance of knowledge and knowledge management in today's preceding organizations cannot be neglected. In order to obtain competitive advantage and to survive in changing contextual conditions, many organizations around the world have turned to applying innovative management tools, new techniques and principles. Enterprise resource planning, process reengineering and Total Quality Management (TQM) , ... can be named as a few. It is obvious that knowledge management is not an exception and increasing literature in the field of knowledge management in recent years demonstrates the attempt of the organization to apply them. In the present era, knowledge has been recognized as one of the major sources of organizations and there are hundreds of organizations around the world which have changed their structures by developing departments of knowledge management (Tikhomirova, Gritsenko, Pechenkin, & Alexander, 2008). Since accepting the processes of knowledge management needs some changes in the structure of the organization and also in the behavior of the members of the organization (Siemieniuch & Sinclair, 2004). In order to be successful in creating change are in need of transformational leaders to create motivation to change and through permanent investment in staff development prepare a sufficient prospect ahead of the individuals to obtain the desired goals (Goudarzvandchegini, 2011).

Knowledge and knowledge management in today's competitive context and also in dynamic environments are considered to be the most important strategic resources of the organizations. What's more, one of the most important distinctions between successful and unsuccessful organizations is in their effective and dynamic leadership. It can also be

mentioned that to survive in such a condition in which environments are in constant mode of change, organizational changes are necessary and leadership and management play important roles in helping these changes occur. Organizational changes need transformational leaders and the related studies prove the crucial role of leadership in these conditions (Nguyen & Mohamed, 2011).

Globalization, deregulation, electronic commerce, and rapid changing of technology make companies do a reassessment of method of the processes and if necessary change their own methods. Variability and complexity can lead to a lower potential of predicting the environment and so affect the style of leadership in the organization. In an unstable environment, new style of management which makes intangible assets such as knowledge able to develop dynamic capacity is very important. Organizations will be unable to act this out unless they highlight the importance of establishing and enhancing transformational leadership (Birasnav, Rangnekar, & Dalputi, 2011).

Ultimately, it can be concluded that knowledge management can help create and develop new knowledge in the organization. The created new knowledge after being shared and applied in the organization can create some changes in the organization and organizational processes. In this condition, transformational leaders are needed to provide necessary condition to implement and perform processes of change.

Literature Review

Transformational Leadership

Having done a detailed study of the life of the political leaders, Burns (1978) has introduced two styles of leadership namely "transformational and transactional". Transactional leaders attempt to exercise a practical give-and-take leadership implying a more pragmatic approach to leadership. It refers to the idea that the leaders create an environment guaranteeing a reward for those collaborating in activities. Burns also suggests that this form of leadership create the process in which leaders and followers help promote each other's levels of morality and motivation which also assist them to look at problems from a different perspective. It can be claimed that this form of leadership creates such a spirit in the workers encouraging them to focus on aims of higher value while helping them to think about more global objectives. By highlighting the future perspectives, transformational leaders encourage their followers to assume perspective in a way to give them motivation to reach their goals. The main factor regarding this kind of leadership is the fact that they encourage the spirit of coordination among the employees (Cacioppe, 2000).

It is interesting to note that in the years following 1985 and along with Burns' studies, Bass proposed a mode for leadership, the basis of which was to implement transactional and transformational leadership in order to create stability and transformation. Moreover; later on Bass, Avolio, Jung, and Berson (2003) introduced some other aspects of transformational leadership which were driven from the previous model and classified it as one single model called "Multifactor Leadership Questionnaire (MLQ)."

Additionally, transformational leadership contains all the aspects of other leadership theories including characteristics, styles, situation and processes. A survey of the characteristics of such leaders throughout history in different companies has demonstrated that these traits are all in the same line with what Bass has depicted in his research.

Bass, in fact, supposes that the trait of transformational leadership is universally

applicable and that it is based on an interest-free performance of the leaders which encourages all his followers to work more enthusiastically. It should be mentioned that transformational leaders encourage their employees by acclaiming their thoughts and ideas and also putting those ideas into practice using modern methods. Transformational leaders play the role of a model for others by their own words and behavior. Their employee respects them and value their words and actions. Besides, what makes transformational leadership so influential is the ability of its practitioners to impress their followers with their words and so inspiring them to act accordingly. Researchers define transformational leadership in terms of idealized influence, inspirational motivation, intellectual stimulation, and individual consideration (Bass, 1985; Nemanich & Keller, 2007). It should be mentioned that some others refer to 'idealized influence' as charisma (Scheepers, Wetzels, & De Ruyter, 2005) and others like Kark, Shamir, and Chen (2003) and Avolio, Bass, and Jung (1999) have also addressed the same factor as charisma. Besides, idealized influence manifests a respectful and trustable image of the leaders. Seaver (2010) in his study on the same subject defined transformational leadership as a leadership style where some people engage with one another acting in a way that is motivating and in a way give others motivation to act in a moral manner. In his regard, this kind of leadership will occur only if the leader acts in a way to make a trustable environment and so inspire his followers to follow in his footsteps (Yukl, 2002).

Transformational leadership inspires others to promote other followers' self-interest for the good of the organization being able to have such a significant effect on the followers' concern (Robbins, Judge, & Sanghi, 2009).

The framework presented in this paper is as follows:

1. Inspirational Motivation

Inspirational motivation means that leaders motivate others by providing meaning and challenge to their work. They encourage others to envision an attractive future, resulting in an increased team spirit, enthusiasm, and optimism (Bass et al., 2003).

2. Intellectual Stimulation

A study recently been conducted in Neger Delta demonstrated that this factor encourages the followers to think in an innovative way since they let them get involved in the process of decision making and also finding solution for the problems influencing their social, economic, and political wellbeing (Nwagbara, 2010).

3. Idealized Influence

Idealized influence and charismatic influence are used interchangeably and it is one of the key factors when talking about transformational leadership. Transformational leaders impress their subordinates by using idealized influence. This actually makes leaders be admired and respected. Their subordinates try to identify themselves with their attractive personality and in a way they attempt to imitate their manner. Moreover; these leaders are considered to have extraordinary capabilities and determination (Bass & Riggio, 2006).

4. Individualized consideration

This factor in fact pays special attention to the needs and also capabilities of each individual to help them achieve their goal by being and acting as a mentor for them.

Subordinates and individuals will be guided to find their potential abilities and hence act accordingly. In this process individual differences in terms of their needs and talents are recognized. The tasks are given regarding individuals' abilities (Bass & Riggio, 2006).

Knowledge Management

Knowledge Management (KM) was introduced about two decades ago to assist companies to create and use knowledge more effectively.

According to Yang's definition of the term (2011) Knowledge management can be defined as "the process of identifying/creating, assimilating, and applying organizational knowledge to exploit new opportunities and enhance organizational performance".

KM includes the managerial efforts to enhance the performances of the companies and also to create, store, share, and develop knowledge by individuals and groups (Zheng , Yang, & Mclean, 2010).

One may associate KM's goals with innovation and knowledge retention in the organization resulting in maximized productivity and hence minimizing cost (Plessis, 2005).

It should be noted that the expected benefits are related to the pre-planned objectives. Several authors consider the measurement of the benefits of KM as a step in the KM process (Goldoni & Oliveira, 2010).

Many theories regarding knowledge management have been suggested all containing diverse processes. Models classification occurs in two ways: one is from the view that underlies the pattern and the other is formed according to the stages of provided patterns of the process. Nonaka and Takeuchi bring up the issue by classifying the models of exchanging knowledge in an organization by the employees which lead to organizational knowledge creation into four parts:

1. Socialization
2. Externalization
3. Combination
4. Internalization (Nonaka & Takeuchi, 1995).

Kakabadse, Kakabadse, and Kouzmin (2003), classified the patterns of knowledge management into four groups including: Network Models, Cognitive Models, Community Models, and Philosophic Models. In network model, the main focus is on the communication, acquisition and subscription sending in a horizontal communication mode. In cognitive model knowledge is considered to be the main property of the organization which has to be presented, saved, measured, and protected in a careful manner. The community model also discusses characteristics of professional groups who possess abilities like self-organization, current learning, and informal interactions. The philosophic mode is based on two-way interaction in a strategic way, search and question in field of market activity and the related processes and the way of dealing with rivals.

Bukowitz & Williams model classifies the process of knowledge management into two groups of strategic and tactical. The tactical model includes acquiring appropriate knowledge necessary for the activities, applying knowledge in creating value, learning, exchanging and sharing knowledge among individuals. The strategic model includes acquiring value from tactical model where the organization strategy is applied along with organizational purposes (Smith, 2001).

The unfortunate point about KM is that the literature regarding this topic has not been fruitful through time. The framework presented in this paper is fundamentally based on the General Knowledge Model Newman & Conrad in year 1999. The model divides knowledge into four main areas: knowledge creation, retention, transfer and utilization.

1. Knowledge Creation

This factor refers to implementing new knowledge into the system and hence by doing so causing knowledge development, discovery and capture (Newman & Conrad, 1999).

2. Knowledge Retention

As the name suggests this element allows knowledge to remain in the system once introduced. It also refers to those activities which retain the practicality of knowledge. (Newman & Conrad, 1999).

3. Knowledge Transfer

Knowledge transfer refers to transferring knowledge from one individual or group to another. This includes communication, translation, conversion, filtering and rendering (Newman & Conrad, 1999).

4. Knowledge Utilization

Again as the name suggests it refers to utilization of knowledge and to make it more practical in business processes (Newman & Conrad, 1999).

Transformational Leadership and Knowledge Management

The literature has only recently begun to address the role of leadership in KM (Lakshman, 2009). Jennex (2005) was on the belief that sharing, retaining and reusing organizational knowledge can be regarded as one factor that can lead and also help to create a successful business environment. It should be noted that leadership is an important element in knowledge management efforts. Nguyen and Mohamed (2011) strongly suggest that leaders are highly influential in KM practices. What leaders may do to make this factor more influential is to exercise and cultivate their knowledge manipulation skills and also to share their individual knowledge.

Team leaders, by using their transactional and transformational behaviors and characteristics, may help facilitate these collective knowledge management actions (Vincent, 2006).

Nowadays, transformational leadership can play such a significant role in enhancing the organizations' environment and helping to apply knowledge in an efficient way by managing the knowledge in a way required for improvement of organizational learning (Aragon-Correa, Garcia-Morales, & Cordon-pozo, 2007). It can also lead to the improvement of absorptive capacity of an organization enabling organization to transfer knowledge in a better way. One of the key features of transformational behaviors is an insistence on the application of knowledge in the organizational environment and hence soothing the way for creating an innovative organization which can be done through offering some awards. Transformational leadership can also be effective in the way that it fosters and prepares the environment for making decision leading to the implementation of knowledge. Transformational leaders have

the potential to affect their employee's perception of human capital benefits.

Notably, Politis (2001) studied upon the relationship between self-management, transformational/ transactional leadership and different features of knowledge management. As far as Bryant's research and study on transformational leadership reveals it can be an influential factor in knowledge management skills, though his research does not directly show the causative relationship (Crawford, 2005).

Transformational leaders all share one attribute in common and that would be that they all attempt to urge the followers to engage in a higher degree of knowledge management (Bryant, 2003). So all in all, we can claim that organizational learning positively influences knowledge management (Noruzi , Majazi Dalfard, Azhdari, & Nazari-shirkouhi, & Rezazadeh, 2013). Also the results being made form a study done by Vincent (2006) demonstrated the fact that transformational leadership is significantly related to knowledge management. Besides, Amitay, Popper, and Lipshitz (2006) depicted a considerable correlation between employees' understanding of transformational leadership and the extent to which companies supported knowledge. In the same line with others, David Analoui , Hannah Doloriert, and Sambrook (2013) demonstrated a totally positive relationship between transformational leadership style and the activities related to the knowledge management of an organization . In general, the results of the studies done manifest the fact that knowledge management behavior are highly predicted by transformational leadership and the fact that transformational leaders are better suited to be involved in knowledge management (Crawford, 2005).

The main objective of this study is to analyze the relationship between transformational leadership and knowledge management.

Transformational leaders develop an environment which helps create, maintain, share, and apply knowledge. Particularly, transformational leaders through using characteristics of the ideal, mental encouragement and developmental support motivate their employees to create and share knowledge (Brayant, 2003).

Bass and Riggio (2006) state that transformational leaders play a role in the process of creating knowledge through promising cash and non-cash incentives. Though this behavior is considered to be one of the characteristics of transactional leadership, studies demonstrate a positive relationship between transformational leadership and the promised reward (Goudarzvandchegini, 2011).

Podsakoff, Mackenzie, and Bommer (1996) announced that transformational leaders create innovative new ideas and support the employees in applying these ideas in order to develop production process. In this regard, a positive relationship between transformational leadership and performance of the employees has been observed. Ultimately, organizations promoting creative performance among the employees help create knowledge (Birasnav et al., 2011).

In a number of studies like Crawford (1998), Crawford and Strohekerch (2002) and Crawford , Gould, and Scott (2003) it has been proved that there is a relation between transformational leadership and personal creativity. They have also found transformational leaders more creative compared to the transactional ones. Besides, they have considered creativity one of the most fundamental characteristics of knowledge management. One of the assumptions of creativity is the ability to create and manage knowledge and data (Crawford, 2005).

Transformational leaders play a role in performing the process of knowledge management in the organization and in this way improve the benefits of human capital (Birasnav et al., 2011).

Generally, research results show that the behaviors of knowledge management can strikingly be predicted by transformational leaders and that transformational leaders play such an important role in applying and controlling knowledge management. Transformational leaders present the same prospect and create effective solutions to encourage the followers to get more involved in knowledge management activities. Transformational leaders provide low level individuals with information duties, motivation, skills and competencies which help them create, acquire, share, store and apply knowledge (Noruzi et al., 2013).

Some studies regarding this relationship include:

Noruzi et al. (2013) in a research entitled "A Survey of the Relationship between Transformational Leadership, Organizational Learning, Knowledge Management, Organizational Innovation and Organizational Performance" intending to determine the relationship between transformational leadership, organizational learning, knowledge management, organizational innovation and performance concluded that transformational leadership affects organizational learning and knowledge management.

Crawford (2005) in a research entitled "Influence of Transformational Leadership and Organizational Duty on Knowledge Management" intending to determine the relationship between transformational leadership, organizational duty and knowledge management found a meaningful relationship between transformational leadership and knowledge management. Birasnav et al. (2011) also conducted a study entitled "Transformational Leadership and the Benefits of Human Capital: A survey of the Role of Knowledge Management" in which they attempted to establish the relationship between transformational leadership, knowledge management and also employees' perception as human capital and they found out that transformational leaders, through getting the personnel involved in the process of knowledge management and building and developing organizational culture and encouraging the personnel to communicate, are able to take benefits from human capitals.

Chen (2006) in a study entitled "A survey of the Relationship between Leadership Styles and Knowledge Sharing: A Case Study in Service Companies, A Member of Strategic Alliances" attempted to discover the relationship between transformational leadership and transactional leadership with knowledge sharing. He found a meaningful relationship between the style of transformational leadership and internal knowledge sharing.

Research Hypotheses

1. There is a relationship between transformational leadership and knowledge management.
2. There is a relationship between transformational leadership and Knowledge Creation.
3. There is a relationship between transformational leadership and Knowledge Transfer.
4. There is a relationship between transformational leadership and Knowledge Utilization.
5. There is a relationship between transformational leadership and Knowledge Retention.

Methodology

The measurement instrument having been applied in this research is a questionnaire consisting of two parts. The first part contains 20 questions relating to different aspect of transformational leadership developed by Bass in 1990. The second part consists of 21 questions analyzing different aspects of knowledge management, and its reliability and validity have been tested to prove its existence in a suitable extent. The questionnaire also makes use of the five point Likert scale. (1= very low and 5= very high). 47 experts and masters working in the Alvan Sabet Co. form the overall population of this research. It should be noted that due to limitation of the population number we have used the census method to distribute the questionnaire.

This process was bias-free. The survey research method which incorporated the use of the questionnaires was applied to obtain the required data from the respondents. Research type is applied; the obtained data were analyzed using descriptive statistical techniques. To investigate the correlation between variables and because of the abnormal distribution of components of knowledge management and also knowledge retention, we have used the Spearman Correlation and for other variables Pearson Correlation has been used.

Findings

Hypothesis number 1: There is a relationship between transformational leadership and knowledge management.

Table 1

Relationship between Transformational Leadership and Knowledge Management

| Transformational Leadership | | | | Knowledge Management |
|-----------------------------|----------------|---------------------------|--------------|----------------------|
| (N) | Sig.(2-tailed) | (Correlation Coefficient) | Type of test | |
| 47 | 0.000 | 0.784** | Spearman | |

**Correlation is significant at the 0.01 level (2-tailed)

To analyze this hypothesis the Spearman Correlation Test has been used. As can be seen in Tables (1) to (7), the correlation coefficient equals 0.784 and the Sig.(2-tailed) is also 0.000 representing the relationship between transformational leadership and knowledge management. Therefore; hypothesis number 1 is accepted.

Hypothesis number 2: There is a relationship between transformational leadership and Knowledge Creation.

Table 2

Relationship between Transformational Leadership and Knowledge Creation

| Transformational Leadership | | | | Knowledge Creation |
|-----------------------------|----------------|---------------------------|--------------|--------------------|
| (N) | Sig.(2-tailed) | (Correlation Coefficient) | Type of test | |
| 47 | 0.000 | 0.857** | Pearson | |

**Correlation is significant at the 0.01 level (2-tailed)

To analyze this hypothesis "Pearson Correlation Test" has been applied. As can be seen

in Tables (5-7), the correlation coefficient equals 0.857 and the amount of the Sig. (2-tailed) is 0.000 suggesting the relationship between transformational leadership and knowledge creation. Consequently, hypothesis number two is accepted.

Hypothesis number 3: There is a relationship between transformational leadership and Knowledge Transfer.

Table 3

Relationship between Transformational Leadership and Knowledge Transfer

| Transformational Leadership | | | | Knowledge Transfer |
|-----------------------------|----------------|---------------------------|--------------|--------------------|
| (N) | Sig.(2-tailed) | (Correlation Coefficient) | Type of test | |
| 47 | 0.000 | 0.730** | Spearman | |

**Correlation is significant at the 0.01 level (2-tailed)

For this Hypothesis the "Spearman Correlation Test" has been used as method of analysis. As can be seen in Tables (3-7) the amount of the correlation coefficient equals 0.730 and the Sig.(2-tailed) is 0.000 showing the relationship between transformational leadership and knowledge transfer. Hence, hypothesis number 3 will also be accepted.

Hypothesis number 4: There is a relationship between transformational leadership and Knowledge Utilization.

Table 4

Relationship between Transformational Leadership and Knowledge Utilization

| Transformational Leadership | | | | Knowledge Utilization |
|-----------------------------|----------------|---------------------------|--------------|-----------------------|
| (N) | Sig.(2-tailed) | (Correlation Coefficient) | Type of test | |
| 47 | 0.000 | 0.761** | Pearson | |

**Correlation is significant at the 0.01 level (2-tailed)

To examine this hypothesis the "Spearman Correlation Test" has been applied. As is clear in Tables (4-7), the amount of Correlation Coefficient equals 0.761 and the Sig. (2-tailed) is 0.000 representing the relationship between transformational leadership and knowledge utilization. So, hypothesis number 4 is also accepted.

Hypothesis number 5: There is a relationship between transformational leadership and Knowledge Retention.

Table 5

Relationship between Transformational Leadership and Knowledge Retention

| Transformational Leadership | | | | Knowledge Retention |
|-----------------------------|----------------|---------------------------|--------------|---------------------|
| (N) | Sig.(2-tailed) | (Correlation Coefficient) | Type of test | |
| 47 | 0.000 | 0.828** | Pearson | |

**Correlation is significant at the 0.01 level (2-tailed)

To investigate this hypothesis the "Pearson Correlation Test" has been used. As can be

seen in Tables (5-7) the amount of the Correlation Coefficient equals 0.828 and the Sig. (2-tailed) is 0.000 asserting the relationship between transformational leadership and knowledge retention. Therefore; hypothesis number 5 is also accepted.

Discussion and Conclusion

To investigate the relationship between transformational leadership and knowledge management the method of "Spearman Solidarity" has been applied. Findings demonstrate a positive relationship between transformational leadership and knowledge management and the amount of solidarity (0.784) is meaningful in alpha level of 0.01. In other words, it can be understood that the outcome of transformational leadership in any organization is an enhanced level of knowledge management and one of the most sufficient tools to implement knowledge management is the presence of transformational leadership to alleviate the process of knowledge management (Noruzi et al., 2013). According to the present research and other conducted studies, it is certain that transformational leadership smoothes the process of knowledge management. Moreover; transformational leaders have the potential to get the personnel involved with the process of knowledge management and enabling them to take advantage from it.

This result is in the same line with findings of Crawford (2005), Birasnav (2011), Politis (2001) and Noruzi et al. (2013).

Regarding the second hypothesis, the obtained results demonstrate a positive and meaningful relationship between transformational leadership and sharing knowledge. The Pearson Correlation Coefficient between these two variables is 0.0730 and in 0.01 level is meaningful. In Chen (2006) article entitled "A Survey of the Relationship between Leadership Style and Sharing Knowledge (A Case Study in Service Companies Member of Strategic Alliances)" a meaningful relationship between transformational leadership and knowledge sharing of the organization has been identified. The obtained results from the present study show that the leaders of the organization through creating communication infrastructure and motivation, and also developing a culture based on knowledge sharing and by highlighting the importance of collaboration and data transferring which is one of the responsibilities of the transformational leader, will be able to observe the enhancement of knowledge sharing and its transferring among members and different parts of the organization.

For the third hypothesis, the obtained results manifest a positive and meaningful relationship between transformational leadership and knowledge creation. Pearson Correlation Coefficient between these two variables is 0.875 and is meaningful in 0.01 level.

It can be said that transformational leaders through strengthening tolerance of errors, effectively motivating the personnel to create knowledge in the organization and also idea management systems (such as Suggestion System and Think Tank) can increase suitable condition to create organizational knowledge. This result is in the same line with the findings of Bryant (2003).

The obtained results for the fourth hypothesis demonstrate a positive and meaningful relationship between transformational leadership and applying knowledge. Pearson Correlation Coefficient between these two variables is 0.761 and is meaningful in 0.01 levels. Given that transformational leadership has a special personal attention to personnel and the knowledge they obtain from it (Individualized Consideration), they can be motivated to apply all their knowledge in order to achieve organizational goals; in other words, to apply their

total capacity of knowledge in the organization. This result is in the same line with findings of Bryant (2003).

The obtained results for the fifth hypothesis demonstrate a positive and meaningful relationship between transformational leadership and knowledge storage. Pearson Correlation Coefficient between these two variables is 0.828 and in 0.01 levels is meaningful. It can be mentioned that transformational leaders through creating infrastructures and appropriate equipment in organization such as electronic gadgets to save knowledge and also to update the stored knowledge can enhance knowledge storage in organizations. This result is in the same line with findings of Bryant (2003).

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