

The Influence of Organisational Dimension, Leadership, and Motivation to the Transfer of Knowledge in Niaga Bank, Makasar of Indonesia

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ABSTRACT

The aim of this research was to study the process on transfer of knowledge in Niaga Bank Makassar. In depth research, this study wanted to know how far the effect of organizational dimension, leadership, and motivation to the transfer of knowledge. The respondents included the middle and lower management (supervisors), the rank-and-file (employees). Structural Equation Modeling (SEM) was used to analyze collecting data by using AMOS computer software (Analysis of Moment Structure) version 5.0. The findings of this research was the organizational dimension had the significant impact on the process on transfer of knowledge such as organizational objectives, while formality had negative impact and organizational culture had no significant impact. In addition, leadership and motivation also had an impact on the process transfer of knowledge in the organization. This result is hoped to be able to give theoretically as well as practically the meaningful contribution on the some important aspects of life, to increase the understanding on application of knowledge management especially transfer of knowledge on the Learning Organization for reaching the competitiveness and earning ability in long term.

Keywords: organizational dimensions, leadership, motivation, transfer knowledge

INTRODUCTION

There were some changes since the beginning of Niaga Bank establishment. Formerly, the strategy of Niaga Bank was as corporate bank, but now the strategy was as leading retail bank, it based on the final report of Niaga Bank in the year of 2007. This transformation was carried out after the whole study due to the map of competitiveness, possibility of market, and the belonging infrastructure. Niaga Bank has decided the new strategy plan by the vision of 2010 to become as one of the five biggest banks which focus on the three business segments which includes House Belonging Credit (KPR), middle business, and the middle up class of customers. Return study of the business strategy was carried out to make certainty the strategy speciality of Niaga Bank in facing the new competitiveness.

Process of learning organization in Niaga Bank is showed by presenting the activity and initiative which is divided into activity groups of identification, saving, distribution, and knowledge using by knowledge management model. Knowledge management is as the management of many knowledge. By carrying out the knowledge management, it is hoped that the Niaga Bank can obtain and use many important knowledge, then developing it in such a manner and making it so it can be effectively used by many needed sides.

Previous researches which indicated the big attention to implementation of knowledge sharing and organization factor for supporting the organizational competitiveness has been more studied such as Goh [1], Juan & Mercedes[2], Ted Foss *et al* [3], Martina *et al* [4], and Shu-Hsien & Ta-Chien [5]. They have carried out the research about "Knowledge Sharing" in the organization of South Korea by analysing the influence of organizational structure or dimension which included formality, the aim of organization, and organizational culture in the relation to the public services. These researches would develop the model of Soonhee Kim [6] by adding the variables of motivation and leadership that based on the research of Martina and Helmut [4]. Martina and Helmut [7] expressed that study about knowledge transfer related to the organization has given more useful information about the relation between the organizational factor and knowledge transfer for creating the competitiveness speciality of organization or company, but not the whole activities of knowledge transfer were proved to have the positive impact to the organizational performance which can produce the competitiveness speciality of the organization. Furthermore, Martina and Helmut [4] presented that motivation for sharing knowledge could become as stimulation or pursuer on the success of knowledge transfer in organization. This statement was also supported by Whittom and Roy [7] which expressed that motivation has the strong relation with the effective or ineffective process of knowledge sharing or transfer in a organization. If the motivation of knowledge transfer from the organization member was good, the process of knowledge transfer would be good or effective and thus on the contrary. Therefore, motivation is one of the variables which very determines the process of knowledge transfer in a organization [8][9][10].

Beside motivation, the function of leader in creating culture of knowledge sharing also determines the effectivity of knowledge transfer process in organization. Clark [11], Goh [1], Hsiu and Lee[12] expressed that the leaders had to play the important function in developing some key conditions which were needed to make easy the knowledge transfer in organization. Furthermore, Goh [1] presented that the force which was only on the information technology or structured organizational process for making easy knowledge transfer, would not be success, but it was needed the approach of complex multi-levered for reaching the effective knowledge transfer, so that did not ignore the soft factors like leadership which was very necessary in the process. Many other researches indicated that problem of leadership became as the important problem which had to get special attention for a company or organization because the success of a company or organization could not be released from the function of leader or manager in functioning of his or her leadership [6]. Based on the gap of the hope and fact, and the previous researches, this study also used the leadership variable as the factor which influenced knowledge transfer process in a organization [1] [11].

The base difference between this study and the previous researches was as follow: 1) this study developed the model of Soonhee Kim [6] by adding the variable of leadership and motivation which based on the previous researches [13][15][1][15][16][6][5][17]; 2) object of study was in a bank (Niaga Bank, Makasar of Indonesia), but the whole previous researches were in public or government organization or company. In addition, this study intended to evaluate and analyse the influence of formal organization structure, aim of organization, organization culture, leadership function, and motivation to the knowledge transfer process in Niaga bank, Makasar of Indonesia.

MATERIALS AND METHODS

This study was conducted in the Niaga Bank, Makasar City of Indonesia in the year of 2008. Number of population in this research was 167 persons, they were as the employees of Niaga Bank Makasar. Scheme of this research was as in Figure 1.

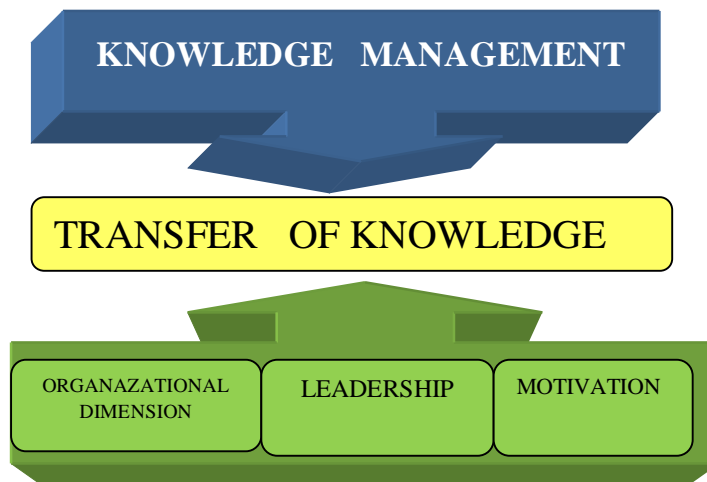


Figure 1 Scheme of research concept

Sample

Sample of this research was determined by using the Yamane approach [18] and it was petitioned of 10% so that the minimal samples were 63. Number of questionnaires which were distributed in Niaga Bank Makasar were 125 and the returned number was 100. This number has been qualified and suitable to the minimal samples as determined above. Technique of sample collecting used probability sampling. The samples in this study included: 1) The organization of Niaga bank which has implemented the Knowledge Management (KM) in organization developing; 2) The respondents were individual in the organization and knowing that their organization naturally implemented the Knowledge Management (KM).

RESULTS AND DISCUSSION

Table 1 presented the evaluation result of research hypothesis.

Table 1 Evaluation result of research hypothesis

Hypothesis	Independent variable	Dependent variable	Coefficient of Direct Effect Line			
			Standard	P-Value	Note	Note
H.1	Formality	Knowledge Transfer	-0,421	0,000	significant	Accepted
H.2	Aim of organization	Knowledge Transfer	0,728	0,000	significant	Accepted
H.3	Organization culture	Knowledge Transfer	-0,079	0,545	non significant	Not accepted
H.4	Leadership	Knowledge Transfer	0,990	0,000	non significant	Accepted
H.5	Morivation	Knowledge Transfer	0,523	0,002	significant	Accepted

Source: analysis of primary data

Table 1 shows the whole 5 direct effect lines among the evaluated construct and it can be described as follow:

- Formality variable had significantly negative direct effect to the knowledge transfer by the level of 5%. The direct effect of formality to knowledge transfer was -0.421. It indicated that the more formal in a organization would cause the more difficulty or more being pursue the knowledge transfer process in the organization.
- Organization aim variable had significantly positive direct effect to the knowledge transfer by the level of 5%. The direct effect of organization aim to knowledge transfer was 0.728. It indicated that the more really organization aim wanted to be reached would make easy or quicken the process of knowledge transfer in the organization.
- Organization culture variable had non significantly negative direct effect to the knowledge transfer by the level of 5%. The direct effect of organization culture to the knowledge transfer was -0.079. It indicated that organization culture did not develop the effective and efficient process of knowledge transfer in the organization.
- Leadership variable had significantly positive direct effect to the knowledge transfer by the level of 5%. The direct effect of leadership to the knowledge transfer was 0.990. It indicated that the more central and strategic function (inter-personal function) of a leader in leading the organization to reach the aim would give the more effect in the effectiveness of knowledge transfer in the organization.
- Motivation variable had significantly positive direct effect to the knowledge transfer by the level of 5%. The direct effect of motivation to the knowledge transfer was 0.523. It indicated that the higher motivation of organization member for willing of knowledge sharing would cause the effective process of knowledge transfer in the organization.

The influence of formality to the knowledge transfer

Based on the analysis result, it was proved that there was significantly negative effect of formality to the knowledge transfer. According to the theoretical support, the effect did not directly express but through the understanding of formality which was really described. In addition, the result indicated that the more standard of rule and work procedure, creativeness of employer would more formal. In the organization which had real and standard of work guide, creativeness of employer would lower. Their activity would be determined by the available rule [19]. Robbins and Coulter [20] presented that if the work was very strict with formality, the worker had minimum freedom to what he had to be carried out, when the work had to be finished, and how he had to carry out. In the organization with high formality, there was firmly function description, more organization rules, and really defined procedure which included the work process, Robbins [21] also expressed that the level of formality could be very different among and in the organization so that the certain work was known having the less formality. The lack of knowledge management strategy which was formally codificated was similar to the approaches which the work description was made minimize and flexibly as well so it was allowed the spontan and natural of knowledge transfer. The lines for carrying out the knowledge transfer could be formal which was suitable with codificated knowledge or informally which was suitable with non codificated knowledge. The practices which developed the close personal relation, tightening, and the same idea inter employers from some units in different organization or company, could be seen as socialization mechanism [22] and the mechanism like this could facilitate the informal line for knowledge transfer. The loyalty, trust, and habit could increase the knowledge transfer. Formal as well as informal line could be used together to form the norm, duty, and reward in the organization. The phenomenon like these would always cause the relation inter individuals and stimulate the happening of knowledge transfer.

The influence of organization aim to the knowledge transfer

Based on the analysis result, it was proved that there was significantly positive effect of organization aim to knowledge transfer. This result was supported by the research of Davenport *et al* [23] and Zack [24]. They expressed that the implementation of knowledge management had to be suitable with the aim of organization itself and knowledge management that had to be able to give the competitiveness speciality of the organization [16]. In addition, they also presented that the same case that one of the knowledge management implementation which was fitted with the organization aim was to create a vision about the knowledge to legitimate the activity of knowledge creating and distribute the knowledge in a company or organization. For reaching the vision, Niaga Bank Makasar developed a learning organization by following the learning principals which was announced to the whole employers so that the employers understood the learning organization which was proclaimed by the company or organization. The learning principal included 3 items as follows: 1) Every employer had the responsibility to learn continuously as soon as himself an company; 2) For supporting the employer developing, allocation of some resources had to be optimally carried out; and 3) The creativity and innovation could be developed through the conducive environment and learning situation. To implementate the three principals, Niaga Bank Makasar carried out the knowledge management by the management aim of some knowledges and process which could increase the knowledge effect to the ability of Niaga Bank. The illustration of organization aim which had to be reached through the forming on really vision of organization and it was understood by the whole organization members or employers. The employers were always hoped to synchronize with the reaching of organization aim in work implementation. The aim of knowledge transfer or sharing was to make easy knowledge transfer in the organization or company.

The influence of organization culture to the knowledge transfer

Based on the analysis result, it was proved that there was significantly negative effect of organization culture to the knowledge transfer. Theory of management knowledge described that organization culture was as one of the important factors being happened the knowledge transfer in organization [7][9][11][25], but result of this study proved that organization culture did not influence knowledge transfer in the organization.

Based on the analysis result of confirmatory (CFA), the loading factor of each indicator on organization culture indicated that the whole indicators were good for measuring the variable of organization culture. From the three indicators, the third indicator of trust among the individuals gave the strongest support to each other for measuring the variable of organization culture with the highest loading factor of 0.936. This result was suitable with the theory of knowledge management that was the foundation of culture for sharing was trust such as the trust between employer and company as well as between the employer and employee [7][9][10][25]. Therefore, the researcher could express that trust was one of the factors which caused the organization culture did not influence the process of knowledge transfer because the available organization culture did not support or build the sense of employer trust for willing to share the knowledge or information. This statement was suitable with the study result of Levine [26] which expressed that organization with the culture by supporting information sharing and knowledge creating which was carried out by the members and had the commitment to accept some different ideas, would have more possibility for being able to develop the effective and efficient process and also improved the life condition in the organization.

The influence of leadership to the knowledge transfer

Based on analysis result, it indicated that there was significant effect of leadership to the knowledge transfer. This result could be proved by comparing the value of $t\text{-table} < t\text{-calculation}$ (critical ratio) and the probability value of p ($p < 0.05$). In addition, it indicated the positive effect between leadership and knowledge transfer with the value of standardized regression weights was 0.990. This finding strengthened the previous research of Goh [1], Clark [11], Hsiu and Lee [12], and it was supported by some theories which presented that leadership was importantly functioned when the organization changed to the learner organization [20]. The direct involving on leader in leading the implementation of knowledge management was as the main condition [8]. The meaning of implementing the knowledge management is implementing the change that is being appear the tradition of knowledge sharing and learning tradition which involves the whole persons in the organization. Effective change needs directly leader function to lead the change, give the example, and continuously monitor. The success company implements the knowledge management by being proud of active participation for the leaders, for example the leader directly monitor the employer in knowledge sharing and for non active employer, the leader will send the notification personally by asking what the passive knowledge management needs helping or training in using KM (knowledge management) Tool. Besides direct participation, the leaders have also to prove the commitment by allocating the available resources in their control for developing the system and moving the organization members to be active participated in the process of knowledge transfer, because knowledge transfer is the important activity in implementation of knowledge management (KM).

The influence of motivation to the knowledge transfer

Based on analysis result, it indicated that there was significant effect of motivation to the knowledge transfer. This result could be proved by comparing the value of $t\text{-table} < t\text{-calculation}$ (critical ratio) and the probability value of p ($p < 0.05$). In addition, it indicated the positive effect between leadership and knowledge transfer with the value of standardized regression weights was 0.523. This result was supported by the motivation theory which was presented by Reksahadiprodjo and Handoko [27]. They presented that motivation was the condition in anybody which stimulated the willing of individual to carry out the certain activities to reach the aim. Therefore, the understanding of motivation is strongly related with being aware of a trend to do something for reaching the aim, so that there is a strong stimulation between the need of motivation, action or attitude, aim, and satisfaction, because every change is always due to the motivation stimulation. This finding was also supported by the research of Pavel and Everett [28] which presented that motivation for carrying out knowledge transfer would influence behaviour, willingness, and interest of anybody as soon as so that could increase or pursue individual readiness to carry out the knowledge transfer. Nonaka [29] expressed that trust was an important factor which was functioned in motivating the happening of knowledge transfer. Therefore, trust will make information data and transferred knowledge become important and significant. Empirical study considers the function on variable of mutually trust sense as the foundation of some processes on the knowledge management and learner organization [10][7]. Empirical study can also describe the effect of mutually trust sense to the behaviour of knowledge transfer which in the having not been grown up of organization member (in this case the acceptance side does not trust the knowledge which is given by the partner, while the person that shares knowledge is not also sure that the given knowledge will be properly used by the acceptor and it will not mis-used), so the variable of mutually trust sense can influence the effectivity of knowledge sharing process in organization [10]. Tobing [7] also presented that without trust, the knowledge acceptor had to carry out validation and re-evaluation to the accepted knowledge and it was as difficult action in the period which demanded of the speed like now. Therefore, trust cannot be immediately developed, but it was generated through the interaction and informal association inter personal, and the consistent action between what is said and what is carried out. The more deviation between statement and real action will cause the more distrust among organization members. The mutual trust among the employees of company will form conducive condition so that can motivate the organization members or employees to be willing of knowledge sharing because the employees trust that if they share what are known, there does not give negative impact for themselves, even it will surely give positive impact. Therefore, the employees also trust that their idea and input to the organization or company however the quality, also get reward and not criticism or ridicule. On the certain level, company has also to be tolerant to some failure which may be happened. The condition like this will appear the organizational trust [8] which bases on the employer trust to the aim and leader of company and empties to the trust that the company action will give any profit for the employees.

CONCLUSION

The structure or dimension of organization such as formality variable was applied in Niaga Bank Makasar and it gave negative impact to the process of knowledge transfer in the organization. Variable of organization aim in this study included formulation, understanding, and support of aim, trust to the organizational values. Involving individual in formulation of organization aim is as the important consideration in transfer knowledge activity, so that can create good base to form knowledge transfer process in the organization. Variable of organization culture is as one of the variables which very influence the implementation of management knowledge in the organization. The finding result of this study indicated that organization culture which was formed, did not support knowledge sharing process in the organization. This condition was happened because the organization culture which was formed as work culture in Niaga Bank was not as learning culture, while learning culture is a habit which is fully opening, free of suspicion and sense of afraid, and concussively for the process of knowledge transfer. Leadership variable gave very good impact to the process of knowledge transfer in Niaga Bank Makasar. Leadership variable in this study had the biggest loading among the seven variables which influenced knowledge transfer process in the organization. The result indicated that leader is playing the important function in developing some conditions to make easy knowledge transfer in the organization. Motivation variable had very big influence on the participation of organization member to the knowledge transfer process in Niaga Bank Makasar. Motivation to share knowledge can be obtained in the whole organizational situation and motivation will influence behaviour, willingness and interest of individual as soon as so that can increase or pursue individual readiness to carry out knowledge transfer.

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