

POWER AND KNOWLEDGE ACQUISITION: THE IMPLICATIONS FOR TEAM PERFORMANCE

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ABSTRACT:

Knowledge has been identified as an important resource that contributes to the competitive advantage of an organisation. The problems associated with irresponsible use of power manifest itself in the loss of organisational knowledge and the expensive duplication of knowledge acquisition, rising costs and reduced performance. Although interpersonal skills are most often cited as essential for successful knowledge acquisition, little is known about the affect of the forces of power in the process of knowledge acquisition. A survey of 130 members of self-managing teams who are engaged in knowledge acquisition activities was carried out to investigate the relationship between the dimensions of power associated with French and Ravens' power-based taxonomy, a number of knowledge acquisition attributes, and performance. The findings suggest that most of the bases of power enable followers' knowledge acquisition, but the bases of power and indeed knowledge acquisition are not pre-existing conditions for achieving desirable performance.

Keywords: Credibility ♦ knowledge acquisition ♦ performance ♦ power bases

1. INTRODUCTION

The latest buzzwords in organisational change and development literature are “knowledge management” and “knowledge transfer”, which proponents claim are successful ways of improving and enhancing employees’ performance. Drucker makes the comment that the only competitive advantage of the developed countries is in the supply of knowledge workers; and that as “knowledge constantly makes itself obsolete”, the developed nations need to work continually and systematically “on the productivity of knowledge and knowledge workers” (Drucker, 1997: 22). Organisations around the world echo this emphasis on the importance of knowledge; that is, to learn and apply that learning as the work is performed may be the only sustainable source of competitive advantage (Liedtka, 1996). The real challenge for organisations however is “capturing the tacit knowledge which is in people’s heads – the experience, knowledge and judgement you get from doing something for a long time,” says Stephanie Pursley [1].

Senge adds that the challenge at the beginning of the millennium is “... how to harness the intelligence and spirit of people at all levels of an organisation to continually build and share knowledge” (Senge, 1997: 32). Therefore, the new model of knowledge management is about people and actions and their behaviour in aligning knowledge processes with organisational objectives. It is about how we move from the old way of doing things where knowledge was *power*, to sharing knowledge and achieving a competitive advantage. The key to successfully implementing a learning organisation is to create an organisational culture in which *power* is equated with sharing knowledge, rather than retaining it.

In the old way of doing things power is defined as the ability to influence others (French & Raven, 1959). A number of researchers have reported that managerial success and subsequent organisational advancement is determined by how power is perceived (Ragins & Sundstrom, 1989; Yukl, Falbe & Youn, 1993), but occasionally it is recognised that power has been, and still is, a negative force in many organisations (Newstrom and Davis, 1997). Although there is an enormous amount of literature that relates influence (power) and organisational advancement and success (Yukl, 1994), little of it relates to the management issues associated with teamwork and

the behavioural skills and traits of knowledge workers, skills that are essential for knowledge acquisition and knowledge sharing. More importantly, as teamwork grows in popularity in both manufacturing and service organisation (Cohen, Ledford & Spreitzer, 1996) and knowledge sharing is becoming an essential component for the competitive advantage of an organisation (Politis, 2002), this research started by asking the following questions. To what extent managers influence, and hence power affect the subordinates' knowledge management (acquisition)? Does power advances follower's knowledge acquisition? Does power have a direct effect on organisational performance, or does it operate through its effect on knowledge acquisition?

The answer to these questions is one of the objectives of this paper. In particular, there is an interest from academics and practitioners in addressing whether power advances follower's knowledge acquisition and sharing practices and what the consequences are for performance in a self-managing environment. The goal of this study is to examine the impact of power on employees' perception of knowledge acquisition, and how this affects team performance. The study involves a questionnaire-based survey of members of self-managing teams from a number of organisations operating in the United Arab Emirates.

2. THE CONCEPT AND BASES OF POWER

Since at least the time of Plato, men have written about power in society (Jowett, 1993). The study of power and its effects is important to understand how organisations operate. It is possible to interpret every interaction and every social relationship in an organisation as involving power (Mintzberg, 1983). The terms power and influence are frequently used interchangeably in the management literature (Ivancevich & Matterson, 1993). For Bachrach and Baratz (1970), influence is a function of power without the use of actual or threatened sanctions. From others, influence relates to respect i.e. "we comply with other's wishes when we respect them, honour them, and admire them" (Fairholm, 1993: 178).

Kanter (1979:66) argues that power is fundamentally "the ability to mobilise resources (human and machine) to get things done". It is thus implied that power is positive in terms of its output. The opposite of power is not freedom, but stagnation, immobilisation; "where the power is "off"

the system bogs down” (Kanter, 1979: 66). Kanter’s argument is that the oppressive actions that we often label as power are more likely to be the result of a lack of power – that lack of the suppliers, information and support needed to make things happen.

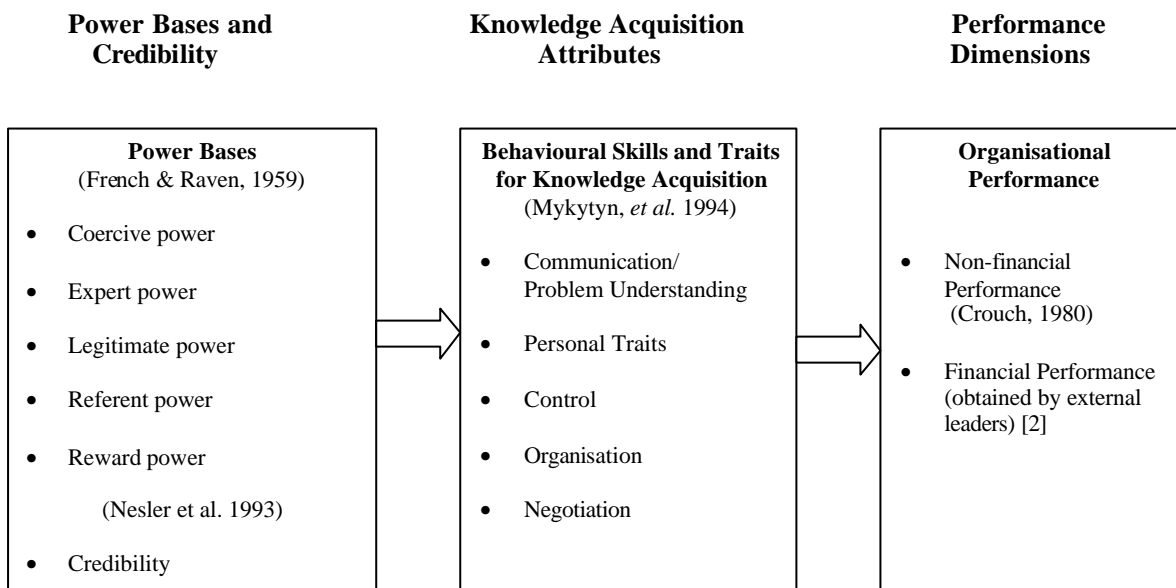
Undoubtedly power should be turned “on” by management to produce intended and effective results (Fairholm, 1993). According to Kipnis & Schmidt (1988), favourable performance gain ratings are largely affected by the manager’s effective use of influence (power) behaviour. Moreover, effective leadership frequently is defined as the ability to influence employees so that they are committed to accomplishing organisational goals (Yulk, 1994). In this context, power is defined as the ability of management to influence the behaviour, intentions, attitudes, beliefs, emotions, or values of subordinates (French & Raven 1959). To this end, we are led to ask what it is to provide the bases for such an effect.

One way of analysing this more closely is to identify specific sources of power. Over the years a number of power sources have been presented by Paton (1984), Stephenson (1985), Hunt (1986), and Morgan (1986), with French and Raven (1959) being the authors most heavily utilised. France and Raven’s power-based taxonomy consists of five important bases of power, namely, *coercive*, *expert*, *legitimate*, *referent*, and *reward*. *Coercive power* is based on the target’s believe that the manager has the ability to punish employees; *expert power* is based on the target’s believe that the manager can provide him or her with special knowledge; *legitimate power* is based on the target’s perception that the manager has the legitimate right to influence the target and that he or she is obligated to comply; *referent power* is based on the target’s identification with or desire to be associated with the manager; and *reward power* is based on the target’s belief that the manager has the ability to provide him or her with desired tangible or intangible objectives. Moreover, a number of researchers have reported that managerial success and subsequent organisational advancement is determined by how *credibility* is perceived by employees (Nesler et al. 1993). Credibility is based on the perception that the manager is consistently both honest and accurate in his or her communications with subordinates.

These bases, credibility included, are employed by management to influence the behaviour of organisational life (Fairholm, 1993). In a recent empirical study Politis (2002) found that a

number of leadership styles are related to effective knowledge acquisition. Since power is widely acknowledged in the management literature as being the pervasive part of the fabric of organisational life (Mangham, 1988), power dimensions are assumed to be the predictive variables of knowledge acquisition and performance. This functional relationship is shown in the research model of Figure 1.

Figure 1 Summary of variables used in the paper



3. KNOWLEDGE ACQUISITION ATTRIBUTES

Knowledge is about internal “meaning structures” in people’s minds (Bourdreau and Couillard, 1999). Transferring knowledge from one person to another requires that tacit knowledge be converted into explicit knowledge through sharing experience, dialogue discussions, know-how ‘exteriorisation’ and teaching. Tacit knowledge is also transmitted and learned directly as tacit knowledge through observation and practice (Bourdreau and Couillard, 1999). In the literature, knowledge acquisition is defined as “acquiring information directly from domain experts” (Mykytyn, Mykytyn, and Raja, 1994: 98). New knowledge is typically acquired by reading, listening to someone, observing, experiencing events or thinking.

But where should organisations begin? What enables or disables knowledge acquisition? A review of the literature reveals that the background, skills, training and traits of knowledge workers (KWs) are most often essential for successful knowledge acquisition (McGraw and Harbison-Briggs, 1989; McGraw and Seale, 1987; Rolandi, 1986). Mykytyn and colleagues (1994) revealed 26 behavioural skills and traits (attributes) that are essential for knowledge acquisition and these attributes are grouped into six factors: communication/problem understanding, personal traits, control, organisation, negotiation, and liberal arts/ nonverbal communication. However, these factors do not emerge spontaneously or in a vacuum. They evolve out of the context and the history of the organisation and their impact is conditioned by the subjective perceptions of knowledge workers whose experience is ruled by that history.

This draws attention among other things (i.e. organisational process and mechanisms of knowledge creation) to the influence, and hence the power, exercised by management in developing and linking these factors for successful knowledge acquisition. Hitt (1995) identified that leaders needed to empower all members of the learning organisation by developing a shared vision, delegating authority, celebrating success, and providing resources. It is also being argued that human relationships within an organisation are crucial for knowledge creation, sharing, and utilisation (Lang, 2001). But like influence, power involves human relationships between two people (Ivancevich & Matterson 1993). It is thus reasonable to predict that the factors representing power will be predictive variables of knowledge acquisition of knowledge workers (KWs). This prediction is further reinforced by the findings of recent empirical studies in which leadership was found to be positively related to the skills and traits that are essential for knowledge acquisition (Politis, 2001a; 2001b). The assumed connectedness between power and knowledge acquisition is expressed in the following predictions. In relation to coercive power however, it is suggested that the use of punishment or fear as motivator is likely to have an overall negative impact on the receiver (Newstrom and Davis, 1997). It is thus assumed that coercive power to be negatively related to knowledge acquisition.

PI: Coercive power will be negatively related to knowledge acquisition attributes (behavioural skills and traits) of KWs.

P2: Expert power will be positively related to knowledge acquisition attributes (behavioural skills and traits) of KWs.

P3: Legitimate power will be positively related to knowledge acquisition attributes (behavioural skills and traits) of KWs.

P4: Referent power will be positively related to knowledge acquisition attributes (behavioural skills and traits) of KWs.

P5: Reward power will be positively related to knowledge acquisition attributes (behavioural skills and traits) of KWs.

In relation to credibility, Aguinis and Adams (1998) argued that credibility should be evaluated similarly with the French and Raven's (1959) five power bases as long as the managers assessed in the study are occupying the same organisational position. So the assumed connectedness between credibility and knowledge acquisition is expressed as follows.

P6: Credibility will be positively related to knowledge acquisition attributes (behavioural skills and traits) of KWs.

4. PERFORMANCE

Performance is of considerable importance for quality of life, for national economies and for increasing organisational competitiveness in the rapidly changing global economy. Due to its importance, the issue of measuring performance has received a great deal of scientific attention in the last 20 years (Cohen and Bailey, 1997).

Despite the general utility of the performance concept, Lent, Aurbach and Levin (1971) complained about the absence of an adequate framework to account for what it is exactly that researchers should be trying to measure when they attempt to measure performance. In the decision of what to measure, it is being argued that performance measures, related to *human*

factors (non-financial), determine the productivity outcomes, related to *financial measures* (Lemmink and Mattsson, 1998). Following this argument, we adopted instruments measuring both financial and non-financial performance.

In relation to financial performance, a number of indicators were chosen to monitor and report team performances. These were common across the participating organisations [2]. Each team was rated by its team leader on three ‘target indicators’ (schedule, quality and profit). Team leaders were asked to report team performance in terms of what the team had achieved over the previous eight months, as a percentage of the target value for each of the three ‘target indicators’.

In relation to non-financial performance, we adopted a scale measuring perceptions of team performance. The scale was developed by Crouch (1980) and consists of five items. Team members assessed their own performance by indicating the degree of agreement or disagreement on each of the statements in the scale.

Over the years numerous authors argued that knowledge is today’s driver for company life and the wealth-creating capacity of the company is based on the knowledge and the capabilities of its people (Savage, 1990). This means that knowledge assets are fundamental strategic levers in managing business performance and supporting continuous innovation of a company (Quinn, 1992; Guthrie, 2001). As for knowledge, it is suggested that knowledge is considered a key property ascribed to so-called knowledge-intensive firms (Alvesson, 1995). Such companies, including its knowledge workers (KWs), are characterised by frequent problem solving; creativity; reliance of individuals; high educational levels and high degree of professional employees. The KWs of these companies were found to demonstrate flexibility, initiative, entrepreneurial intentions and strong job performance (Stewart, 1997; Davenport & Prusak, 1998). In that regard, it is expected that significant correlations will be found between knowledge acquisition variables and the variables of team performance.

P7: Knowledge acquisition variables (i.e. behavioural skills and traits of KWs) will be positively related with non-financial team performance.

P8: Knowledge acquisition variables (i.e. behavioural skills and traits of KWs) will be positively related with financial team performance.

5. SUBJECTS AND PROCEDURE

5.1 Sample

The study focused in organisations operating in the United Arab Emirates (UAE) which have been engaged in the process of teamwork for more than four years and team members had received training covering core team skills, new administrative skills, new technical skills and interpersonal skills. Discussions with both management and employees suggest that this study examines members of the self-managing teams who were able to handle complex challenges and tasks were efficiently accomplished without the leader's support.

The responding firms represented a cross-section of the UAE industry in terms of size, product and process type. A total of seven firms from communications industry, public works, electricity and water, petroleum, banking, ports and shipbuilding, and aluminium products have participated in the study. All respondents were full-time employees of the participating organisations and volunteered to participate in the study. Respondents have known their immediate leader for at least 8 months. Questionnaires, written in English, containing items measuring the above dimensions were distributed to 165 employees of the seven firms. A total of 130 employees returned usable questionnaires; yielding a 78.8 per cent response rate. Our final sample contained data from 18 self-managing teams.

The respondents were 100 per cent males and all were engaged in day shift activities. In terms of education, 100 per cent of the respondents had attained some sort of technical or university qualification in the English language, and all had knowledge in many diverse areas.

5.2 Analytical procedure

The Analysis of Moment Structures (AMOS, version 4.0) was used for the factor analysis (measurement model) and for the regression analysis (path model). The combination of factor analysis and regression analysis is known as causal modelling (Hair, Anderson, Tathan and Black, 1995) or structural equation modelling (SEM). Following the recommendations of Sommer, Bae and Luthans (1995), we first developed the measurement model and then, with this held; a path model is developed. Using confirmatory factor analysis (CFA) we first assess the validity of the measurement model of the variables used in the paper. Given adequate validity of those measures, we reduced the number of indicators in the model by creating a composite scale for each latent variable.

A mixture of fit-indices was employed to assess the overall fit of the measurement and path models. The ratio of Chi-square to degrees of freedom (χ^2/df) has been computed, with ratios of less than 2.0 indicating a good fit. However, since absolute indices can be adversely affected by sample size (Loehlin, 1992), four other relative indices (GFI, AGFI, TLI, and CFI) were computed to provide a more robust evaluation of model fit (Tanaka, 1987; Tucker – Lewis, 1973). For the GFI, AGFI, TLI, and CFI, coefficients closer to unity indicate a good fit, with acceptable levels of fit being above 0.90 (Marsh, Balla & McDonald, 1988). The analytical procedure to calculate the regression coefficient λ_i and measurement error θ_i of each variable used in this paper, is detailed in Politis's (2001a) study. The parameters of λ_i and θ_i were used as fix parameters in the path model.

6. MEASUREMENT MODELS

As shown in Figure 1, the variables that we measure on the survey are: coercive; expert; legitimate; referent; and reward power; and credibility, employees' (KWs) behavioural traits and skills that are essential for knowledge acquisition and team performance obtained from the responses of team members (non-financial) and the external leaders (financial).

6.1 Description and assessment of measures

6.1.1 Bases of power

The research reported in this paper operationalised power by using French and Raven's (1959) power-based taxonomy: coercive, expert, legitimate, referent, and reward power. We measured French and Raven's (1959) five bases of power using a modified version of Hinkin and Schriesheim's (1989) power scales (i.e., 20 items) as adapted by Nesler, Aguinis, Quigley & Tedeschi (1993). Additionally, credibility was measured using five items from Nesler et al. (1993).

Based on the results of a CFA supporting five power factors, these items were used to create five composite scales: coercive power (3 items, $\alpha = 0.75$); expert power (4 items, $\alpha = 0.75$); legitimate power (4 items, $\alpha = 0.80$); referent power (4 items, $\alpha = 0.87$); and reward power (4 items, $\alpha = 0.74$). One item from coercive power was dropped due to low loading of the order of 0.13. In relation to credibility, the results of CFA supported only 4 items, which were used to create the composite factor of credibility (4 items, $\alpha = 0.74$).

6.1.2 Knowledge acquisition attributes

Knowledge acquisition variables made up of the subcategories of communication/problem understanding, personal traits, control, organization, negotiation, and liberal arts/nonverbal communication. These categories were assessed using the Mykytyn, et al's (1994) 26-skill/traits instrument.

Based on the results of the CFA, five factors were supported, these items were used to create five composite scales: communication/problem understanding (7 skill/traits, $\alpha = 0.89$); personal traits (3 skill/traits, $\alpha = 0.77$); control (4 skill/traits, $\alpha = 0.88$); organisation (5 skill/traits, $\alpha = 0.89$); and negotiation (3 skill/traits, $\alpha = 0.87$). Four skill/traits were dropped due to poor loading, of the order of < 0.18 , not supporting the factor of liberal arts/non-verbal communication.

6.1.3. Performance measures

Team performance was assessed using both non-financial and financial measures. The non-financial measures were assessed using Crouch's (1980) 5-scale of Crouch's Behavioural Inventory instrument. The five-item scale resulting from the CFA of this study showed a good internal reliability coefficient (5 items, $\alpha = 0.86$).

In relation to financial performance, each team was rated by its team leader on three 'target indicators' (schedule, quality and profit). Team leaders were asked to report the team's performance in terms of what it had achieved over the previous eight months, as a percentage of the target value for each of the three 'target indicators'. The results of CFA supported the three indicators, which were used to create the composite factor of financial performance (3 items, $\alpha = 0.80$).

Given adequate validity of above measures, we reduced the number of indicators by creating a composite scale for each latent variable. These latent variables were used in the path model, which is described in the following section.

7. PATH MODELLING

Using the analytical procedure outlined in Politis's (2001a: 358-359) study, we calculated the parameters in the path model (i.e., λ_i and θ_i). Table I contain the means, standard deviations, reliability estimates, λ_i and θ_i , estimates.

Table I**Descriptive statistics, reliabilities, λ and θ estimates**

Variable	Mean	SD (s)	Reliability	Loading	Error variance
			Cronbach alpha (a)	$\lambda = s * \sqrt{a}$	$\theta = s^2 * 1 - a$
<i>Bases of Power and credibility</i>					
Coercive power	5.56	2.23	.75	1.93	1.24
Expert power	6.74	1.81	.75	1.57	.819
Legitimate power	7.17	1.56	.80	1.39	.487
Referent power	6.73	1.95	.87	1.82	.494
Reward power	5.92	2.04	.74	1.76	1.08
Credibility	7.19	1.64	.74	1.41	.699
<i>Knowledge acquisition attributes</i>					
Communication/Problem					
understanding	4.02	0.91	.89	0.86	.091
Personal traits	4.61	1.13	.77	0.99	.293
Control	4.16	1.13	.88	1.06	.153
Organisation	4.35	1.12	.89	1.06	.138
Negotiation	4.55	1.27	.87	1.18	.209
<i>Performance variables</i>					
Non-financial	5.27	1.23	.86	1.14	.212
Financial	81.7	16.3	.80	14.6	53.1

Note: λ has been rounded to two decimal places

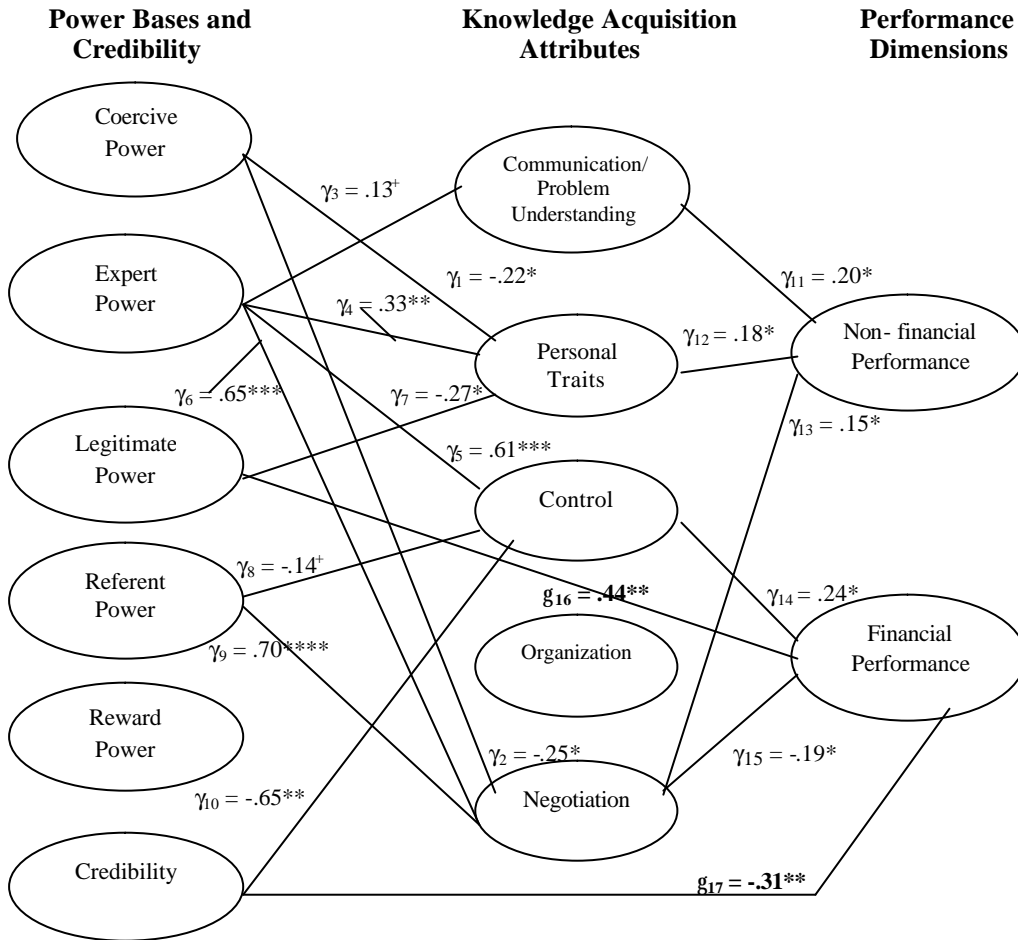
Once these parameters—regression coefficients (λ_i) which reflect the regression of each composite variable on its latent variable and the measurement error variances (θ_i) associated with each composite variable—are calculated, we built this information into the path model to examine the relationships among the latent variables.

The model of Figure 2 contains dimensions of the five bases of power: coercive, expert, legitimate, referent, and reward; the variable of credibility; five knowledge acquisition variables: communication/problem understanding, personal traits, control, organisation and negotiation; and two performance variables: non-financial and financial (Note: the dimension of liberal arts/non-verbal communication was not supported from the CFA results.)

The analysis reveals that the structural model of Figure 2 fits the data reasonably well, with $\chi^2 = 80.6$; $df = 46$; ($\chi^2/df = 1.75$); $p = 0.02$; GFI = 0.93; AGFI = 0.88; CFI = 0.92; TLI = 0.90; RMR = 0.03; and RMSEA = 0.04. Figure 2 displays results of predictions testing using structural equations modelling (SEM). It also displays results which were not predicted in the theoretical model depicted in Figure 1, viz. the direct effect of *legitimate power* and *credibility* on the dimension of financial performance. Alternative models were examined with either paths added, reversed or removed, but all led to significantly worse model fit.

Figure 2

Structural estimates of predicted model^a



Note 1: ^a Standardised path coefficient; N = 130.

Note 2: The direct affect of power on financial performance is shown in **bold**

⁺ p < 0.1, *p < 0.05, ** p < 0.01, *** p < 0.001.

All correlations of exogenous variables were statistical significant @ 0.001 level

7.1 Results

Figure 2 indicates the estimated path coefficients (γ values) obtained from the AMOS analysis and the associated significant levels for each path. *P1* predicted that coercive power will be negatively related to knowledge acquisition attributes (behavioural skills and traits) of KWs. In support to our prediction, the effect of *coercive power* on the dimensions of *personal traits* and *negotiation*, was negative and significant ($\gamma_1 = -0.22$, $p < 0.05$; $\gamma_2 = -0.25$, $p < 0.05$, respectively). The expected influence, however, of *coercive power* on the other dimensions of knowledge acquisition (*communication/problem understanding*, *control and organisation*) was not supported by the data of this study.

As predicted, *expert power* had positive effect on four of the five knowledge acquisition attributes, largely supporting *P2*: Specifically, *expert power* is positively related to *communication/problem understanding* ($\gamma_3 = 0.13$, $p < 0.1$), and *personal traits* ($\gamma_4 = 0.33$, $p < 0.05$). It had also a strong positive and significant effect on both *control* ($\gamma_5 = 0.61$, $p < 0.01$), and *negotiation* ($\gamma_6 = 0.65$, $p < 0.01$). Moreover, no effect of the component dimension of *expert power* on *organisation* was found by the data of this study.

Contrary to *P3*, legitimate power was negatively related to only one dimension of knowledge acquisition: *legitimate power* had a negative effect on *personal traits* ($\gamma_7 = -0.27$, $p < 0.1$), while the results showed no other effect on the other dimensions of knowledge acquisition (*communication/problem understanding*, *control*, *organisation*, and *negotiation*).

As predicted, *referent power* had a very strong positive and significant effect on the dimension of *negotiation* ($\gamma_9 = 0.70$, $p < 0.01$), partially supporting *P4*. Contrary to our prediction, the effect of *referent power* on the dimension of *control* was negative ($\gamma_8 = -0.14$, $p < 0.1$). The expected influence, however, of *referent power* on the other dimensions of knowledge acquisition (*communication/ problem understanding*, *personal traits and organisation*) was not supported by the data of this study. Moreover, there was no relationship between the dimensions of knowledge acquisition and the power base of *reward*; hence, the data of this study did not support *P5*.

P6 predicted that credibility will be positively related to knowledge acquisition attributes (behavioural skills and traits) of KWs. This prediction was not supported by the data of this study, in that *credibility* was negatively and significantly related to the dimension of *control* ($\gamma_{10} = -0.65, p < 0.01$). The expected influence, however, of *credibility* on the other dimensions of knowledge acquisition (*communication/ problem understanding, personal traits, organisation, and negotiation*) was not supported by the data of this study.

On the right-hand side of the model, the results showed that four of the five dimensions of knowledge acquisition were positively and significantly related to performance, partially supporting *P7* and *P8*. Specifically, the effect of the knowledge acquisition dimensions of *communication/problem understanding, personal traits, and negotiation* on *non-financial performance* was positive and significant ($\gamma_{11} = 0.20, p < 0.05$; $\gamma_{12} = 0.18, p < 0.05$, and $\gamma_{13} = 0.15, p < 0.05$, respectively). Moreover, the expected influence of the dimension of *control* on the dimension of *financial performance* was positive and significant ($\gamma_{14} = 0.24, p < 0.05$). Contrary to prediction, the dimension of *negotiation* was negatively and significantly related to *financial performance* ($\gamma_{15} = -0.19, p < 0.05$), not supporting *P8*.

Finally, Figure 2 displays results which were not predicted in the model depicted in Figure. Specifically, the effect of *legitimate power* on *financial performance* was strong, positive and significant ($\gamma_{16} = 0.44, p < 0.01$), while the effect of *credibility* on *financial performance* was negative and significant ($\gamma_{17} = -0.31, p < 0.01$).

8. DISCUSSION

The findings from the current study suggest that some dimensions associated with French and Raven's (1959) bases of power are essential in the process of strengthening collaboration (Schrage, 1990) and knowledge sharing (Zotz, 1995) between members of self-managing teams. Specifically, the relationships between *expert power* and *communication/ problem understanding, personal traits, control, and negotiation* were positive and significant, indicating that expert power yields ascriptions of capability and reliability in knowledge workers of self-managing teams. In other words, the results suggest that not only limited groups (read Alvesson,

1995) are regarded as knowledge workers, but experienced and knowledgeable managers should be involved in the acquisition and creation of new knowledge through becoming 'insiders' of self-managed teams (Brown & Duguid, 1991). The results of the present study supported those of previous studies (Politis, 2001a), in that leadership "should guide the radical cultural change for knowledge creation and knowledge sharing" (p. 362). Although leadership styles were not measured in the present study, the results suggest that those leaders who can provide employees with special knowledge, viz. possess *expert power*, could encourage and facilitate specific behavioural skills and traits of KWs that are essential for knowledge acquisition. In that regard, Politis (2001a) chose to refer to such leaders as 'knowledge-enabled leaders', who "are professionals vested with the responsibility to discharge their knowledge in an empowered environment" (p. 362).

Furthermore, the results suggest that the dimension of *referent power* (personality power) is a key property ascribed for facilitating *negotiation* between members of self-managing teams. It is the ability of leaders to develop followers from the strength of their own personalities that encourages and facilitates followers' negotiation, viz. diplomacy, patience and cooperation, all three being essential ingredients for knowledge acquisition and knowledge sharing. It is the leaders' personal magnetism, an air of confidence, and a passionate belief in objectives that attract and hold followers responsible to monitor their performance through information gathering and knowledge acquisition.

Moreover, the results of the present study supported previous arguments that coercive power is likely to have an overall negative impact on the receiver (Newstrom and Davis, 1997). The negative relationship between *coercive power* and *personal traits* and *negotiation* suggests that the managers' capacity to punish and threaten employees, or even use tactics of fear is having an adverse effect in connecting and enabling employees to share their experiences and knowledge. The results suggest that coercive power should be avoided if the enterprise is to take advantage of the knowledge available among employees in impacting efficiency, effectiveness, productivity, and competitive position.

Furthermore, the significant and strong negative effect of *credibility* on *control*, suggests that the managers of the present sample are likely to have an adverse effect on the sub-categories of control, viz. *politics* (understanding what motivates and influence employees); *organisational knowledge* (having a broad view of the company's goals and operations); *assertiveness* (insist on a course of action, even though it may be unpopular); and *salesmanship* (promoting your viewpoints regarding how expert knowledge is represented). The results suggest that the "credibility gap" (Newstrom and Davis, 1997: 61) between of what managers say and what they do must be reduced if the enterprise is to take advantage of its available knowledge. Managers must act with integrity, speak from a strong base of knowledge, and deliver their messages with confidence and enthusiasm (Kouzes and Posner, 1993) if they wish to translate their words into a knowledge organisation (Waldersee, 1997).

Finally, the findings of the study clarify which of the knowledge acquisition variables *best* predict team performance. In particular, *communication/problem understanding*, *personal traits*, and *negotiation* are fundamental levers of *non-financial* team performance. Moreover, the results suggest that the dimension of *control* is essential in impacting organisations' competitive position through the performance indicators of schedule, quality and profit (financial performance). Moreover, the direct positive regression of *legitimate power* on *financial performance* suggests that power from higher authority gives a manager the power to resolve conflicts and decide what needs to be done. This is the power that gives a manager the ability to overcome obstacles to change (Hill and Jones, 2001), which in turn will result in an improved performance. This finding provides a fascinating insight into the complex world of leadership and knowledge management theories because authority is critical to the functioning of the organisation and to the fulfillment of the democratic traditions of our cultural life (Bacherach and Lawler, 1986).

In closing, brief mention of some limitations of this study should be made to place the results in proper perspective. Though from analytical perspective structural equations modelling has a number of advantages in testing causal relationships, some caution should be noted. First, given the cross-sectional nature of the study, causality cannot be tested directly, although the predictions imply causation. So experimental or longitudinal data are needed for more definite

results. Second, a larger sample size would have allowed simultaneous estimation of measurement and structural models instead of assessing the measurement models first and then, with them held fixed, developing the structural model. Future research should estimate models that replicate these results using larger sample sizes. Third, other factors that were not measured such as the leadership styles, intelligence of KWs and the structure to guide knowledge flow should be included in future research models to examine the patterns of relations between power bases, knowledge acquisition and performance.

Notes

- 1 Stephanie Pursley, Knowledge Management Partner at Freehills, Sydney Office, Australia (www.freehills.com).
- 2 Financial performance in each organisation was rated by the team supervisor on three indicators viz. schedule, quality and profit.

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