EXPLORING THE EFFECT OF ORGANIZATIONAL CULTURE, LEADERSHIP AND STRATEGY ON ORGANIZATIONAL EFFECTIVENESS WITH MEDIATING EFFECT OF KNOWLEDGE MANAGEMENT

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Abstract

The purpose of this paper is to explore the influence of organizational culture, leadership and strategy on organizational effectiveness. In addition, this study inspects the possible mediating role of knowledge management in the relationship between organizational culture, leadership, strategy, and organizational effectiveness. A survey was conducted of eight telecommunication companies located and operating in GCC countries. Structural equation modeling (SEM) was used to test the relationship among variables. The results suggest that knowledge management fully mediates the impact of organizational culture on organizational effectiveness, and partially mediates the impact of organizational leadership and strategy on organizational effectiveness. The findings carry theoretical implications for knowledge management literature as they extend the scope of research on knowledge management from examining a set of independent management practices to examining a system-wide mechanism that connects internal resources and competitive advantage.

Keywords: Knowledge management, Organizational culture, Leadership, Strategies, Organizational effectiveness

INTRODUCTION

Last decades, individuals and organizations began to appreciate the increasingly important role of knowledge in the emerging competitive environment. Growing concern has been given to define the characteristics that contribute to organizational success with high profits and good reputations that almost guarantee a certain level of achievement. Understanding the internal context is fundamental to any organization activities. Reviewing the existing literature indicate the lack of understanding of the intervening mechanism that explains the paths of the influence of leadership and strategy to organizational effectiveness. Then, the previous literature suggests that knowledge management plays a potentially mediating role in connecting leadership and strategy with organizational effectiveness. In addition, knowledge management could serve as one of the intervening mechanisms through which organizational context influences organizational effectiveness. Conducted by several pioneer studies in the KM discipline (e.g. Nonaka and Takeuchi, 1995; Sveiby, 1997; Wiig, 1993), this study investigate whether it can influence organizational effectiveness.

Exploration of its potential role as a mediating factor would provide better understanding of how to leverage it to achieve desirable organizational goals. O'Dell and Jackson (1998, p. 4) offer a well-known definition of KM: "conscious strategy of getting the right knowledge to the right people at the right time" so individuals" share and put information into action in ways that strive to improve organizational performance". Therefore, the objective of this study is to inspect the mediating effect of knowledge management on the relationship between organizational culture, leadership, strategy and organizational effectiveness. This research trying to investigate the factors which able to influence the organizational effectiveness through the use of mediating variable represented by knowledge management.

This study dedicated on GCC countries (Qatar, UAE, KSA, Kuwait, Bahrain, and Oman) based on its rapid economic growth, the magnitude of social changes, leading telecommunication companies in the service sector, and the level of internationalization of business activities within the GCC. In addition, there are noticed lack detail of the studies focusing on issues related to organizational context which contribute to organizational effectiveness.

LITERATURE REVIEW

Knowledge is an important subject for business organizations. There have been a number of different perspectives from which researchers and practitioners have approached the management of knowledge. Knowledge management is "a systematic and integrative process of coordinating organization-wide in pursuit of major organizational goals" (Rastogi, 2000, p. 40).

KM is "A discipline that promotes an integrated approach to identifying, capturing, evaluating, retrieving, and sharing all of an enterprise's information assets. These assets may include databases, documents, policies, procedures, and previously uncaptured expertise and experience of individual works" (Srikantaiah, 2001, p.3). KM refers to these as "The tools, techniques, and strategies to retain, analyze, organize, and share business expertise"(Groff and Jones, 2003, p.11).

Organizational strategy can be defined as a plan for interacting with the competitive environments to achieve organizational goals (Daft, 1995, p. 49). The study of organizational strategy started with Andre (Collis and Montgomery, 1995) who defined strategy as the match between what an organizations can do within the universe of what it might do. For Chandler (1997), strategy can be defined as determining the basic long-term goals and objectives of an enterprise, and adopting courses of action and allocating the resources necessary to carry out these goals. Existing studies cover some ground of the contextual antecedents of knowledge management (Gold et al., 2001; Lee and Choi, 2003). However, these studies usually start from a micro perspective and investigate the immediate knowledge-related environment rather than the general contextual environment of the whole organization. They focus on exploring the antecedents of knowledge management rather than examining knowledge management as a mediating mechanism between general organizational context and organizational effectiveness. Organizational culture and strategy are highly interrelated. It is generally accepted that once the organization change strategy, it must align organizational culture with strategy, or face almost certain strategic failure.

Specifically, both Gold et al. (2001) and Lee and Choi (2003) examine the aspects of organizational culture, structure, and technology that are directly related to knowledge management. They did not investigate the general cultural, leadership, and technological characteristics of the whole organization. The restriction to only knowledge relevant contextual factors reveals the assumption that knowledge management is a set of relatively independent managerial practices rather than a central mechanism through which organizational factors are leveraged to achieve organizational goals. This assumption may have underestimated the actual influence of knowledge management.

Zheng et al. (2009), investigated the mediating effect of knowledge management on the relationship between the organizational contexts, organizational culture, structure, strategy and organizational effectiveness. They find that knowledge management can partially play the role of mediating mechanism among the variables. They also encourage coming research to find out other variables which capable to make significant mechanism with this formula.

This study attempt to steer a path on knowledge management in its potential capacity to transmit contextual and strategic influence onto organizational effectiveness. Certainly, Knowledge management in the inherent power for the move of circumstantial and strategic influence on organizational effectiveness. Strategic Management has been defined as the process of general managers co-aligning their organizations to environmental opportunities and constraints (Schendel and Hofer, 1979).Although much has been written in recent years about the desirability of creating a fit between strategy in organizations and business,' this work remains largely descriptive and empirical work in this area is rare.

Limited studies investigate how organizational strategy can impact knowledge management (Pedler et al., 1991; Senge, 1990; Watkins andMarsick, 1996), but only a direct relationship has been examined between organizational strategy and knowledge management. Therefore, there is a need expected for testing complex formula of how organizational leadership, cultural, and strategic characteristics employ a combined influence on knowledge management and consequently organizational effectiveness. Knowledge management literature exhibits that to achieve a sustainable competitive advantage over competitors in the modern economy, an organization must be able to generate new knowledge by using its knowledge base resources. Interestingly, the result from literature indicates that knowledge management practices have significant influence over organizational effectiveness (Zahidul et al; 2011). The literature review shows there is a great number of critical success factors for KM. This paper contributes to the knowledge management research field through understanding those factors, their interrelation and the role of KM in achieving organization effectiveness.

THEORETICAL BACKGROUND & HYPOTHESES DEVELOPMENT

The methodology of measuring knowledge management maturity is complex. According to literature and our business experience especially in the GCC countries, there is a significant relation between organizational elements strategy, culture and leadership and organizational effectiveness. Additionally, this study intend to examine and provide evidence of the existence of positive influence of knowledge management on organizational effectiveness. Thus, the findings from literature and mentioned assumptions are organized and designed in a form of hypothesis and tested by empirical research. Organizational culture, leadership and strategy are three key organizational assets that have been studied widely in their relation with organizational effectiveness. However, how they pass their influence onto organizational effectiveness is an understudied question. The previous research suggests the KM positively affects organizational outcomes (Fugate, Stank, &Mentzer, 2009; Kiessling, et al. 2009).Zheng et al. (2009), suggest that KM fully mediates the impact of organizational culture on

organizational effectiveness, and partially mediates the impact of organizational structure and strategy on organizational effectiveness. KM is a process that through creating, accumulating, organizing and utilizing knowledge helps achieve objectives and enhance organizational performance. The literature review shows there is a great number of critical success factors for KM. This paper contributes to the knowledge management research field through understanding those factors, their interrelation and the role of information technology in achieving a better business performance.

In literature there are a plenty models for knowledge management processes have been recognized. This study examines three processes that have received the most consensus: knowledge generation, sharing, and utilization (Davenport and Prusak,1998). Knowledge generation refers to the process in which knowledge is acquired by an organization from outside sources and those created from within (Davenport and Prusak, 1998). Knowledge sharing, also called knowledge transfer or knowledge diffusion, refers to the process by which knowledge is transferred from one person to another, from individuals to groups, or from one group to another group (Davenport and Prusak,1998). Knowledge utilization is the higher the effectiveness of utilizing the existing knowledge in an organization, the better the KM result (Ikarni and Louis, 2003).Organizational research has been dominated for over a century by the quest to identify the components of organizational effectiveness(Collins and Porras, 1994). Effectiveness is a broad concept and is difficult to measure in organizations (Daft,1998). It takes into consideration a range of variables at both the organizational and departmental levels. Au (1996) further clarified by stating that effectiveness refers to the degree of correspondence between the actual and desired outputs of an organization.

In this study, measures assessing organizational effectiveness were adopted from Lee and Choi (2003) which encompass organizational members' perceptions of the degree of the overall success, market share, profitability, growth rate, and innovativeness of the organization in comparison with key competitors. To what extent knowledge is enhance the organizational effectiveness. From reviewing the literature, it seems that there are a variance empirical studies approve an important relationship between knowledge management and organizational effectiveness. For example, knowledge creation and sharing have been found to contribute to improved performance and innovation (Darr et al.,1995; Epple et al.,1996;McEvily and Chakravarthy,2002). Knowledge integration could lead to product development effectiveness, reduced defect density, lowered warranty defects, and increased software development efficiency (Tiwana, 2004). Built on these studies, it is hypothesized that knowledge management positively contributes to organizational effectiveness.

H1. Knowledge management (including knowledge generation, knowledge sharing, and knowledge utilization) relates positively to organizational effectiveness.

It is well known that knowledge management assists as an antecedent to organizational effectiveness, and also a medium between organizational factors and effectiveness. Knowledge resources are an outcome of organizational culture, leadership, and strategy, because knowledge is shaped and utilized in accordance with a set of cultural values and norms, embedded in structural relationships, and reflected in strategic priorities. For example, knowledge sharing practices are affected by cultural expectations such as what knowledge should be shared with the organization and what should be hoarded by individuals, by structural relationships such as how quickly the knowledge flows through formal reporting relationships, and by strategic priorities such as what knowledge is to be paid attention to and what to be ignored. In turn, organizational knowledge reflective of cultural, leadership, and strategic characteristics of the organization is utilized to help produce new products and services, improve efficiency, and enhance effectiveness (Nonaka et al., 2000). Grant (1996) suggests that the challenge of the Knowledge-based view of the organization is effective coordination among organizational members as their knowledge is specialized and needs to be integrated.

Organizational culture, according to Lewis (2002) a universal definition of organizational culture has proven elusive, however it is generally considered to be the shared values, beliefs and assumptions that exist among employees within a company that help guide and coordinate behavior (Schein, 1991). Organizational culture is generally accepted to be a holistic and multidimensional concept that is historically determined and socially constructed (Hofstede, Neuijen, Ohayv, & Sanders, 1990). Tyrrell (2000) explained that organizational culture is constantly being negotiated as it is an emergent property of human interaction. The values and beliefs that emerge from the ongoing negotiation and practices among group members become a source of reference for what is deemed acceptable or unacceptable in an organization in terms of right and wrong behaviour (Kusluvan & Karamustafa, 2003).

The values and beliefs that underlie organizational culture likely reflect what is most important to the founders and/or company leaders as they are responsible for the vision and purpose of the organization, and presumably exemplify and reinforce the core values and beliefs through their own behaviour (e.g., Schein, 1991; Scheres& Rhodes, 2006; Weese, 1995;Wilkins, 1983). Organizational culture is also manifested through member dialogue and behaviour as well as organizational practices (Schein, 1985).

Empirical research shows that Organizational culture is a key factor to organizational effectiveness (Deal and Kennedy,1982; Denison, 1990; Gordon and Di Tomaso, 1992; Ouchi

and Jaeger,1978; Peters and Waterman, 1982; Wilkins and Ouchi, 1983). In particular, Denison and his colleagues (Denison, 1990; Denison and Mishra, 1995; Denison and Neale, 1996; Fey and Denison, 2003)identified and validated four dimensions of organizational culture that are conducive to organizational effectiveness: adaptability, consistency, involvement, and mission. Adaptability refers to the degree to which an organization has the ability to alter behavior, structures, and systems in order to survive in the wake of environmental changes. Consistency refers to the extent to which beliefs, values, and expectations are held consistently by members. Involvement refers to the level of participation by an organization's members in decisionmaking. Mission refers to the existence of a shared definition of the organization's purpose.

Previous studies suggest a positive relationship between organizational culture and knowledge management(Brockman and Morgan's, 2003;Young et al.'s, 1999;Huber's, 1991;O'Reilly's, 1989, Davenport and Prusak's, 1998). Therefore, organizational culture is positively associated with knowledge management. Organizational culture exerts its influence through shaping the behavior of organizational members. Base on above explanation, this hypothesizes can be generated.

H2. Organizational culture (adaptability, consistency, mission, and involvement) relates positively with organizational effectiveness.

H3. Organizational culture (adaptability, consistency, mission, and involvement) relates positively with knowledge management.

H4. Knowledge management fully mediates the relationship between organizational culture and organizational effectiveness.

Daft (2005) defined leadership as an influence relationship among leaders and followers who intend real changes and outcomes that reflect their shared purposes. Over the course of time, a number of dimensions or facets of leadership behavior have been developed and applied as researchers continue to discover what contributes to leadership success and failures. These included, among others, autocratic versus democratic, task-oriented versus people-oriented, and the contingency approaches. Currently, the most influential contingency approach to leadership is the Path-Goal theory, developed by Robert House (Robbins, 2005). This theory states that the main goal of the leader is to help subordinates attain the subordinates' goals effectively, and to provide them with the necessary direction and support to achieve their own goals as well as those of the organization (Silverthorne, 2001).

The Path-Goal theory suggests a fourfold classification of leader behaviors, as described below. Directive leadership (initiating structure; task-oriented) tells subordinates exactly what they are supposed to do. This leadership behavior is similar to the initiating structure or task-oriented leadership styles. Supportive leadership (consideration; people-oriented) shows concern for subordinates' wellbeing and personal needs, and is similar to the consideration or people-oriented leadership styles. Participative leadership consults with subordinates about decisions. Achievement-oriented leadership sets clear and challenging goals for subordinates. No one leadership style is ideal for every situation (Rad and Yarmohammadian, 2006).The study of leadership behaviors as conceptualized under the Path-Goal theory has been applied in many types of researches. For example, in the context of business strategies in international marketing channels (Mehta et al., 1990; Mehta et al., 2003), small and middle-sized firms (Li, 2004), company managers (Silverthorne, 2001), steel industry (Downey et al., 1975), automotive industry (Chang et al., 2003), and market orientation of UK firms (Harris and Ogbonna, 2001).

Leadership can influence knowledge management processes through shaping patterns and frequencies of communication among organizational members, and affecting efficiency and effectiveness in sharing new ideas and significant information. Knowledge management can carry over the leadership impact onto organizational effectiveness, because the way knowledge is organized, knowledge management activities are coordinated, and the extent to which knowledge management practices are embedded in the daily work processes influence the effectiveness and efficiency of organizational performance. At the same time, leadership influences organizational effectiveness through paving the way of participation. It influences organizational effectiveness through non knowledge related functions, especially through decision making, tasks, and motivation, because of their minimal involvement of active knowledge management.

H5. Leader's directive, participative and supportive behaviors relates positively to organizational effectiveness.

H6. Leader's directive, participative and supportive behaviors relates positively to knowledge management.

H7. Knowledge management partially mediates the relationship between organizational leadership and organizational effectiveness.
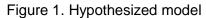
An increasingly sophisticated body of theory and practice has emerged over the past years about the impact that strategy plays in driving corporate business success. Max McKeown (2011) argues that "strategy is about shaping the future" and is the human attempt to get to "desirable ends with available means". Organizational strategy have been studied widely in literature and scholars argued it relationship to organizational performance (Govindarajan and Fisher, 1990; Manvondo, 1999; Rapert et al., 1996; Smithet al., 1986).This study utilizing STROBE (Strategic Orientation of Business Enterprise) framework developed by Venkatraman (1989) to represent organizational strategy. Four dimensions are incorporated in the framework of this study. Therefore, only these four dimensions are examined. Analysis refers to the overall problem-solving posture that indicates the extent of tendency to search deeper for the roots of problems and to generate the best possible solution alternatives(Miller and Friesen, 1983). Defensiveness refers to defensive behavior that is demonstrated through cost reduction and efficiency-seeking methods (Venkatraman, 1989). Futurity refers to temporal considerations reflected in key strategic decisions, relative emphasis on longterm effectiveness versus efficiency considerations at the present (Venkatraman, 1989). Proactiveness refers to proactive behavior, such as participation in emerging industries, continuous searching for market opportunities and experimentation with potential responses to changing environmental trends (Venkatraman, 1989). Bergeron et al. (2004) found that a stronger organizational strategy that is highon analysis, defensiveness, futurity, and proactiveness is associated with higher performance. The composite of the four dimensions indicates the extent to which the organization realizes its strategic directions rather than its intended strategies (Bergeron et al., 2004).Deductions based on previous research suggest a positive association between organizational strategy (STROBE) and knowledge management. For example, Pedler et al. (1991) highlight the importance of an analytical approach to strategy that contributes to learning. Senge (1990) stresses the ability to envision the future that is crucial to the learning organization. Watkins and Marsick (1996) emphasize a proactive approach to new learning and new markets in establishing a learning organization (Watkins and Marsick, 1996).
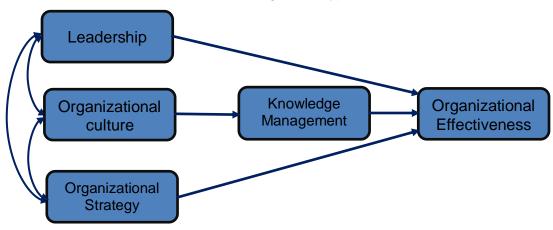
H8. Organizational strategy (analysis, defensiveness, futurity, and proactiveness) relates positively to organizational effectiveness.

H9. Organizational strategy (analysis, defensiveness, futurity, and proactiveness) relates positively to knowledge management.

H10. Knowledge management partially mediates the relationship between organizational strategy and organizational effectiveness.

Figure 1. Hypothesized model

METHODOLOGY

This cross-sectional study utilizing self-administered survey to collect data on organizational members' perceptions of the five constructs: organizational culture, leadership, strategy, knowledge management, and organizational effectiveness.

Data Collection and sample

The sample population for this study consists of human resources professionals who were members of eight telecommunication companies located and operating in the GCC countries excluding Oman (because of data restrictions). HR professionals were chosen randomly as the respondents because they usually have good knowledge of organizational members (Gilley and Maycunich, 2000) and a realistic view of what the organizational characteristics are rather than what they should be. The sample population base totaled 585 distributed on eight companies, Qatar (Ooredoo and Vodafone), KSA (STC and Zain), Kuwait (Zain), Bahrain (Batelco and Zain), UAE (Etesalat) and no company from Oman was participated due to difficulties of reaching this country. However, antecedents improve that all GCC countries are similar. A mix of web-based and mail survey was carried out on the sample. A total of 384 responses were received, among which 218 were mail responses (56.8%) and 166 were web responses (43.2%). That constitutes a response rate of 24%. Among the respondents, 37.4%were at the middle management level, 27.9% at the senior management level, 26.5% at the non-management level, and 8.2% at the supervisory level. A MANOVA test was conducted on the mail andweb-based survey results and no statistical differences were detected between the two samples (Wilks' lambda=0.79, p=0.71). To assess nonresponse bias (Amstrong and Overton, 1977), all responses received within the first two weeks were treated as early responses and the

rest as late respondents. The two-week cutoff was based on the observed pattern of responses received. No statistical differences were detected between the two samples (Wilks' lambda=0.77,p=0.45).The unit of analysis in this study is the organization as each organization has unique sets of cultural, leadership, strategic, and knowledge management characteristics. A total of eight organizations were represented by the respondents.

Instrument

For performing quantitative study, questionnaire items were adapted from current instruments used in previous researches. Organizational culture was measured by instrument were adapted from Denison and his colleagues (Denison, 1990; Denison and Mishra,1995; Denison and Neale, 1996; Fey and Denison, 2003) that included four dimensions: adaptability, consistency, involvement, and mission. The scale measures to what degree an organization is perceived to exhibit the four dimensions of characteristics, for example, to what degree "we have a shared vision of what the organization will be like in the future". Leadership behavior measurement instrument has been adapted from Harris and Ogbonna (2001), which was based on previous research by House (1971), House and Dessler (1974), Fleishman (1957) and Stogdill (1963). This measure of leadership has been widely used in the strategy literatures and has been generally accepted as a good measure of subordinate's perceptions of leadership style and behavior (Harris and Ogbonna, 2001). In this study, it has been used to identify the leadership behavior as participative (five items).STROBE (Strategic Orientation of Business Enterprise) framework established by Venkatraman (1989) was used in this study to identify organizational strategy. STROBE measures how the respondents perceive the organization's strategy as displaying four characteristics including analysis, defensiveness, futurity, and proactiveness.

The measures for assessing organizational effectiveness were adopted from Lee and Choi (2003) which capture organizational members' perceptions of the degree of overall success, market share, profitability, growth rate, and innovativeness of the organization in comparison with key competitors. These five items used in Lee and Choi (2003) were adapted from Deshpande et al. (1993) and Drew (1997).Items measuring knowledge management were modified from Gold et al. (2001), assessing respondents' perception of the existence of the three knowledge management processes. A sample item is "matching sources of knowledge to problems and challenges". As this study utilized one self-report survey to collect data on all of the variables, common method bias may be present. In order to assess the possible common method bias, Harman's one-factor test was conducted on the variables, following Konrad and Linnehan (1995) and Simonin (1997). The results of the principal component factor analysis yielded 12 factors with eigen values greater than 1.0, which accounted for 70% of the variance.

In addition, the first factor did not account for the majority of the variance (37%). It seems that common method bias is not a serious problem (Podsakoff and Organ, 1986).

The average Cronbach's alpha was 0.78, indicating that there is a generally acceptable inter-rater consistency in data collection instruments. Cronbach's Alpha of .70 or higher is considered "acceptable" in most social science research situations (George and Mallery, 2005).

Data analysis approach

This study used structural equation modeling for statistical analysis of data collected. Following Jöreskog and Sörbom (1989), structural equation modeling (SEM) was conducted with the AMOS program, assessing confirmatory measurement models (factor analysis) and confirmatory structural models (path analysis). SEM were divided into two parts: a measurement model and a structural model. The measurement model contained a measurement variable that could be observed directly and was measured by confirmatory factor analysis (CFA).Then the relationship between *endogenous* (dependent variables) and *exogenous* (independent) latent variables were examined— resulting in a specified "structural model" (Schmidt, Clouth, Haggenmuller, Naber, and Reitberger, 2006; Ullman, 1996).

MODEL TESTING & RESULTS

Measurement model testing

Measurement model is specification of the measurement theory that shows how constructs are operationalized by set of measured variables (Hair et al 2010). Results from the confirmatory factor analysis demonstrated that all of the scales used in the study formed adequate measurement models and thus provided evidences for the construct validity of the measures. Table 1 shows the fit indices of the measurement models. While, Table 2 shows the descriptive of the constructs which include reliability test.

Table 1: Evaluation of measurement model for the constructs used in the study

Variables	χ^2	df	p	NNFI	CFI	GFI	AGFI	RMR
Organizational culture	164.35	48	<0.01	0.97	0.98	0.92	0.86	0.038
Organizational leadership (Participative)	35.03	5	<0.01	0.95	0.98	0.96	0.87	0.036
Organizational strategy	148.60	164	0.08	1	1	0.95	0.94	0.08
KM effectiveness	402.60	87	<0.01	0.96	0.97	0.85	0.79	0.043
Organizational effectiveness	37.79	5	<0.01	0.94	0.97	0.95	0.86	0.034

Table 2: shows the descriptive of the constructs.

Constructs	M	SD	1	2	3	4	5
1. Organizational effectiveness	4.24	1.07	(0.88)				
2. Knowledge Management Effectiveness	4.13	0.88	0.52**	(0.93)			
3. Organizational culture	4.22	0.95	0.52**	0.88**	(0.89)		
4. Organizational leadership	3.18	1.21	0.24**	0.23**	1.43**	(0.89)	
5. Organizational strategy	3.95	0.79	0.52	0.83	0.82	0.16	(0.85)

Reliability coefficient alphas are presented in diagonal in parenthesis. **p<0.01.

Structural model testing

The hypothesized model was tested with a nested-model approach. The hypothesized model was compared to the saturated structural model (Alternative Model 1 where all paths relating to the constructs were to be estimated), as well as two alternative models, one fixing the path from organizational structure to organizational effectiveness to zero (Alternative Model 2), and the second fixing the path from strategy to organizational effectiveness to zero (Alternative Model 3).The three alternative models are shown in Figs. 2–3.The hypothesized model demonstrates a better model fit than the three alternative models because (1) it contains no insignificant paths while other models do; and (2) chi-square/df ratios in the alternative models (4.97, 4.96, and 5.00) are slightly larger than that of the hypothesized model (4.94), indicating that the hypothesized model fits the data slightly better. Table 3 shows the fit indices for all the structural models. Fig. 3 shows the hypothesized model with parameter estimates and fit indices.

Table 3: Fit Indices for structural Models.

structural Models	X	df	p	X/df	NNFI	CFI	GFI	AGFI	RMR
Hypothesized Model	794.82	161	<0.01	4.94	0.90	0.92	0.79	0.73	0.09
Alternative Model 1	795.70	160	<0.01	4.97	0.90	0.92	0.79	0.73	0.09
Alternative Model 2	798.55	161	<0.01	4.96	0.90	0.92	0.79	0.73	0.09
Alternative Model 3	805.70	161	<0.01	5.00	0.90	0.92	0.79	0.73	0.09

Figure 2: Structural Model

Chi-Sequare=795.70(gf=160.p<0.01)
NNFI=0.90
CFI=0.92
GFI=0.79
AGFI=0.72
RMR=0.09

Hypothesis testing

The proposed Hypotheses 12, 5 and 8 assume, knowledge management, organization culture, leadership, and strategy are all significantly related to organizational effectiveness, judging from the results of bivariate correlations (as shown in Table 2). Knowledge management (r=0.52,pb 0.01), culture (r=0.52, pb0.01), and strategy (r=0.52, pb0.01) demonstrated a positive relationship with organizational effectiveness, and leadership (r=−0.24, pb0.01) had a positive relationship with organizational effectiveness.

As hypotheses 3, 6 and 9 predict, organizational culture (r=0.88, pb0.01) and strategy (r=0.83,pb0.01) were both positively related to knowledge management, and leadership (r=0.23, p<0.01) was positively associated with knowledge management.
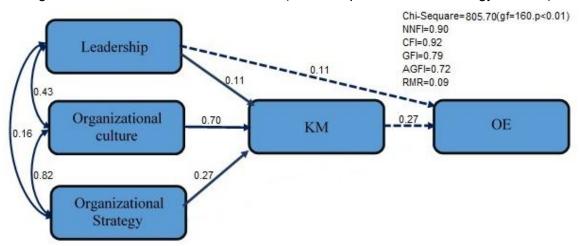
Hypothesis 4 predicts that knowledge management fully mediates the relationship between organizational culture and organizational effectiveness. Our structural model analyses showed that organizational culture demonstrated a significant direct impact on knowledge management (γ=0.71, p<0.05). There was also a significant relationship between knowledge management and organizational effectiveness(β=0.26, p<0.05). The condition for total mediation was supported by the fact that in Alternative Model 1 (saturated model),the direct path between organizational culture and organizational effectiveness was close to zero (γ=0.07, pN0.05) when knowledge management was modeled as the mediator.
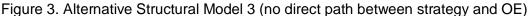
Hypothesis 7 predicted that knowledge management partially mediates the relationship between organizational leadership and organizational effectiveness. The findings supported this hypothesis.

Organizational leadership had a small and positive influence on knowledge management (γ=0.12, p<0.05), and a small influence on organizational effectiveness (γ=−0.14, p<0.05), while knowledge management had a positive influence on organizational effectiveness (β=0.26, p<0.05).The directionality of structure's influence on organizational effectiveness and knowledge management is different. However, the bivariate relationship between leadership and organizational effectiveness and that between leadership and knowledge management were both positive.

Hypothesis 10 predicts that knowledge management partially mediates the relationship between organizational strategy and organizational effectiveness. The findings supported this hypothesis. Organizational strategy had a positive influence on knowledge management (γ=0.27, p<0.05), and a positive influence on organizational effectiveness (γ=0.28, p<0.05).

Figure 3. Alternative Structural Model 3 (no direct path between strategy and OE)

CONCLUSIONS

The purpose of this study was to investigate the moderating effects of knowledge management on the relationship between organizational culture, strategy and leadership with organizational effectiveness. To date, little empirical research has been done to investigate the relationships and organizational outcomes of these constructs. This study, therefore, is unique in that it has helped to fill this gap in an effort to improve our understanding of the role of knowledge management in mediating the organizational context and organizational effectiveness in the GCC environment and beyond.

The results of this study is trying to resolve issues in the literature as specified in the introduction. First, providing empirical evidence to the connection between knowledge management and organizational effectiveness, in addition, suggests that knowledge management could be an intervening variable between organizational context and organizational effectiveness. The findings support that knowledge management is not only an independent managerial practice, but also a central mechanism that leverages organizational cultural, leadership, and strategic influence on organizational effectiveness. It also agrees with Penrose's (1959) view that the efficacy of organizational resources differs with changes in organizational knowledge. Knowledge management assists as a key leverage tool in organizations. Organizational strategy employs a significant effect on organizational effectiveness, although its effect is reduced when organizational culture and leadership are taken into consideration. In addition, it has a significant influence on knowledge management. These findings guarantee further investigation of strategy's relationship with knowledge management. This study discloses that the resources in an organization may be hierarchical. Finally, knowledge management was found to entirely mediate organizational culture's impact

on organizational effectiveness. This finding suggests that how well knowledge is managed is largely associated with how well cultural values are translated into value to the organization. Further, culture has a larger contribution to knowledge management than other factors inspected. This may be a matter of the fact that culture determines the basic beliefs, values, and norms regarding the why and how of knowledge generation, sharing, and utilization in an organization. This finding draw attention to creating an organizational culture that is encouraging learning and knowledge management (Davenport and Prusak,1998; DeLong and Fahey, 2000; Watkins and Marsick, 1996). Various current studies have focused on the direct relationship between organizational culture and organizational effectiveness. However, in this study, it has been revealed that organizational culture's impact on organizational effectiveness is unimportant when a mediator (knowledge management) is considered. Findings of this study focused on the insufficiency of examining only the direct association between organizational culture and organizational effectiveness. It appears that rational following step in research on culture and effectiveness might continue to a higher level by examining the exact mechanism(s) through which organizational culture effects organizational performance. The major limitation that was encountered in this study was the difficulty in collecting data from Oman companies due to data restrictions.

MANAGERIAL IMPLICATIONS

This study revealed variance of implications which able to enhance the organizational effectiveness especially in GCC countries. Meantime analyzing the significance of organizational characteristics to knowledge management success, this study conveys to courtesy the significance of concentrating on generating a knowledge-friendly environment that is made up of suitable cultural, leadership, and strategic features.

Furthermore, the study findings specify that knowledge management can impact organizational effectiveness when it is align with organizational culture, leadership, and strategy. Focus on knowledge management practices, such as providing knowledge management tools, and supporting knowledge management initiatives, would help transfer the impact of organizational contextual resources to the bottomline. Clearly, culture has the strongest positive influence on knowledge management. This indicates that knowledge management practices need to center on integrating culture-building activities to boost an environment which eventually support knowledge. Organizational culture dimensions (adaptability, consistency, involvement, and mission) when combined positively lead to enhance knowledge management. This study shows that organizational culture, leadership, and strategy have close interrelationships. Organizations that are adaptive, consistent in their values, engaging to employees, and

embracing common missions in their cultures have a higher tendency to probe into issues, to seek methods to reduce costs, to look into the future, and to act proactively in their strategies. Those organizations are more probable to embrace a decentralized structure. The three organizational factors create an interdependent method in which changes in one or two of the factors may move through to another factor(s). Drawing knowledge management plans usually includes organizational changes. Finally, organizations should considering all three factors in designing and executing intended changes is essential.

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