

# The effect of Managerial Power and Relational Trust on the Skills and Traits of Knowledge Acquisition: Evidence from the United Arab Emirates

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**Abstract:** Many organisations have recognised that knowledge is the most important resource in today's economy. Although knowledge management is seen as central to process and product innovation and improvement, to executive decision making and to organisational adaptation and renewal, little is known on the effect of managerial power and relational trust on the traits and skills of knowledge acquisition. A survey of 140 first line managers was conducted to investigate the relationship between managerial power, relational trust and knowledge acquisition attributes. Results indicate that most, but not all, of the managerial power dimensions enable employees' knowledge acquisition. Moreover, the findings show that relational (interpersonal) trust had a negative effect on the skills and traits of knowledge acquisition. It was also found that the dimensions of managerial power provided statistically significant additional predictive power, after having statistically controlled for the predictive effects of interpersonal trust.

**Keywords:** Knowledge acquisition ♦ managerial power ♦ relational (interpersonal) trust ♦ United Arab Emirates.

## 1. Introduction

As we have move rapidly into the 21<sup>st</sup> century organisations face the challenge of being effective in a global knowledge environment. In his book *PowerShift*, Toffler (1990) made it clear that knowledge has become the global competitive driver. The real challenge for organisations 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]. But actively managing (acquiring) knowledge relies on individual's effort and co-operation, so the new model of knowledge management is about personal relevance (Bailey & Clarke, 2001), it is about people and actions and their behaviour in aligning knowledge processes with organisational objectives (Politis, 2003). 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. Sharing the individual and collective brain power of people (knowledge) however, cannot be harnessed in the absence of trust and cooperation, help and care, shared values and vision, sincerity and goodwill (Rastogi, 2000). Professor John Kotter told the Australian Institute of Management that "if people don't trust the information they are getting from you they won't necessarily act on it; they won't pass it on as if it is credible, and that's a killer" (Kotter, 2003:1). In line with Kotter's comment, it has even been argued that "trust is, after all, the single most important precondition for knowledge exchange" (Rolland & Chauvel, 2000: 239).

The importance of trust has been supported in a study by Politis (2002). In this study,

respondents indicated that most of the interpersonal trust dimensions are positively related to the skills and traits of knowledge acquisition. It is also acknowledged that power is often employed by management to influence the behaviour of employees (Fairholm, 1993). Although in a recent study Politis (2003) reported that most of the dimensions of power associated with French and Ravens' (1959) power-based taxonomy enable followers' knowledge acquisition, current research lacks the empirical evidence supporting the prediction of the skills and traits of knowledge acquisition from the combine effect of the relational (interpersonal) trust and managerial power factors. To this end, this research started by asking the following questions. Is the influence of managerial power more important than the influence of relational (interpersonal) trust in the process of knowledge acquisition? Are the correlations derived from the factors of interpersonal trust and knowledge acquisition stronger, and more positive, than those with the managerial power factors? Will the statistical prediction of the knowledge acquisition attributes be increased with the addition of managerial power factors in the set of the predictor variables? Answers to these questions are some of the objectives of this paper.

## 2. Managerial power and the determinants of knowledge acquisition

According to Sir Francis Bacon "knowledge is power" [2], and where power resides, resides success. Within the managerial power literature, power refers to the "capacity that A has to influence the behaviour of B so that B acts in accordance with A's wishes" (Robbins,

2003: 366). In line with this definition, 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 leaders use power as a means of attaining organisational goals. According to Kipnis and Schmidt (1988), favourable performance gain ratings are largely affected by the manager's effective use of influence behaviour (power). In this context, power is defined as the ability of management to influence the behaviour, intentions, attitudes, beliefs, emotions, and the values of subordinates (French & Raven 1959). But where does power come from? What is it that gives an individual (i.e. leader) influence over others?

Over the years a number of power sources have been presented by Stephenson (1985), Hunt (1986), and Morgan (1986), with French and Raven (1959) being the authors most heavily utilised. French and Raven's power-based taxonomy consists of five important bases of managerial power: *coercive*, *expert*, *legitimate*, *referent*, and *reward*. *Coercive power* is based on the target's belief that the manager has the ability to punish employees; *expert power* is based on the target's belief 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.

On the other hand, knowledge management (acquisition) is jointly a goal and a process. As an organisational outcome or goal, knowledge management is entirely focused on sharing information for the benefit of the organisation (Bollinger & Smith, 2001). Of central importance to organisations however, is to define the term knowledge and identify the type of knowledge that they are forced to manage. Although it seems obvious to define the seemingly self-evident term – knowledge, the reality is that knowledge and knowledge management are quite complex (Clark & Rollo, 2001); that is because knowledge is usually classified as either explicit or tacit (Nonaka, 1998). Explicit knowledge is described as formal, systematic knowledge that can be expressed or communicated without vagueness or ambiguity. It can be stored in books, manuals, and databases. Tacit knowledge, on the other hand, is considered

as highly personal know-how that is derived from experience and beliefs and usually hard to articulate and communicate. Moreover, Bollinger and Smith (2001) explained that "tacit knowledge is unarticulated knowledge that is in a person's head that is often difficult to describe and transfer" (p. 9).

Given that 42 percent of corporate knowledge is held within employee's minds (Clark & Rollo, 2001), it is important for organisations to set up processes whereby tacit knowledge is more accessible and people are easily connected enabling them to think together and to take time to articulate and share information (Lang, 2001). Although setting up such processes could be a complex exercise, authors (Galagan, 1997; Bath, 2003) and organisations concur that a common business practice that is connected to knowledge acquisition is that of "acquiring information directly from domain experts" (Mykytyn, Mykytyn & Raja, 1994: 98). Mykytyn and colleagues revealed 26 behavioural skills and traits (attributes) that are essential for knowledge acquisition. These attributes are presumed to produce seven factors:

- Communication/problem understanding;
- Personal traits
- Control
- Organisation
- Negotiation
- Liberal arts and
- Non-verbal communication.

*Communication/problem understanding* refers to interviewing; listening; sensitivity; open-minded; probing; conceptualising; rational thinking; and hindsight. *Personal traits* refer to empathy; sense of humour; tolerance; and amiable. *Control* refers to politics; organisational knowledge; assertiveness; and salesmanship. *Organisation* refers to leadership; speaking; writing; management; and domain knowledge. *Negotiation* refers to diplomacy; patience; and co-operation. *Liberal arts* and *non-verbal communication* refer to being broadly educated, well informed, having knowledge on subjects dealing with humanities, philosophy and literature and having a broad view of company's goals and operations.

However, these behavioural skills and traits 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 attributes to successful knowledge acquisition. But like influence, power involves human relationships among leaders and employees (Ivancevich & Matterson 1993).

In relation to human relations it is being argued that relationships within an organisation are crucial for knowledge creation, sharing, and utilisation (Lang, 2001). Moreover, recently Politis (2003) found that a number of managerial power dimensions are positively related to knowledge acquisition attributes of knowledge workers. It is thus reasonable to hypothesise that the factors representing managerial power will be predictive variables of the traits and skills of knowledge acquisition. This prediction is further reinforced by the findings of the empirical work in which 'knowledge leaders' were found to be positively related to the skills and traits (attributes) that are essential for knowledge acquisition (Politis, 2001). The assumed connectedness between managerial power and knowledge acquisition attributes is expressed in the following hypotheses:

*Hypothesis 1a:* Coercive power will be positively related to the skills and traits of knowledge acquisition.

*Hypothesis 1b:* Expert power will be positively related to the skills and traits of knowledge acquisition.

*Hypothesis 1c:* Legitimate power will be positively related to the skills and traits of knowledge acquisition.

*Hypothesis 1d:* Referent power will be positively related to the skills and traits of knowledge acquisition.

*Hypothesis 1e:* Reward power will be positively related to the skills and traits of knowledge acquisition.

### 3. Relational trust and determinants of knowledge acquisition

It is being argued that knowledge management (KM) is the combination of human resource management and information management, and thus relates to all processes that are combined with the identification, acquisition, creation, distribution and use of both

information and knowledge (Iivonen & Huotari, 2000). Therefore, human factors are essential components for effective *knowledge acquisition* and must be taken into account. But, trust belongs to the area of human factors in KM. While it has not been extensively discussed, it has been suggested that trust is required for knowledge generation and knowledge sharing (Probst, Raub & Romhardt, 2000; Rolland & Chauvel, 2000; Kotter, 2003). The employees must trust each other to share their information and knowledge (Connelly & Kelloway, 2000), to generate knowledge. One reason that individuals might be willing to share information is due to the individual's identification with the organisations' goals and the simple action of sharing information within a relationship creates relational trust (Ford, 2001).

The promotion of relational trust is illustrated through the recommendation to create communities of practice for knowledge generation and sharing (von Krogh, Ichijo & Nonaka, 2000). Communities of practice are groups in which the social cohesiveness has been promoted, and the groups assist on the generation of new knowledge (Davenport & Prusak, 1998). The promotion of social ties within these groups is related to the development of knowledge-based, identification-based and relational trust. With respect to relational trust, Cook and Wall (1980) have distinguished two components of dyadic or *interpersonal trust*: *faith* and *confidence*. Interpersonal trust is been viewed as *faith* and *confidence* in *peers* (that is, co-worker trust), as well as, as *faith* and *confidence* in *management* (that is, trust in both the supervisor and top management). The definitions of faith and confidence have been adopted from Cook and Wall (1980: 40).

- Trust refers to the "faith in the trustworthy intentions of others".
- Trust refers to the "confidence in the ability of others, yielding ascriptions of capability and reliability".

Research reported in the literature suggests that high levels of trust between managers and employees are correlated with more open communication (Ruppel & Harrington, 2000) fostering generative learning. Moreover, evidence has shown that collaborative problem solving in organisations presupposes interpersonal trust (Davenport & Prusak, 1998; Politis, 2002), and specifically co-worker trust. Furthermore, Ford (2001) argued that acquisition of knowledge from an individual outside the organisation couldn't benefit from organisational trust, as the individual is not part

of the organisation. Yet, impersonal trust would not be effective as the trust is directed to the position within the organisation; therefore, "interpersonal trust is the best type of trust for knowledge acquisition" (Ford, 2001: 14). Therefore, it is reasonable to assume that the factors of interpersonal trust will be the predictive variables of the determinants of knowledge acquisition. The assumed connectedness between interpersonal (relational) trust and knowledge acquisition is expressed in the following hypotheses.

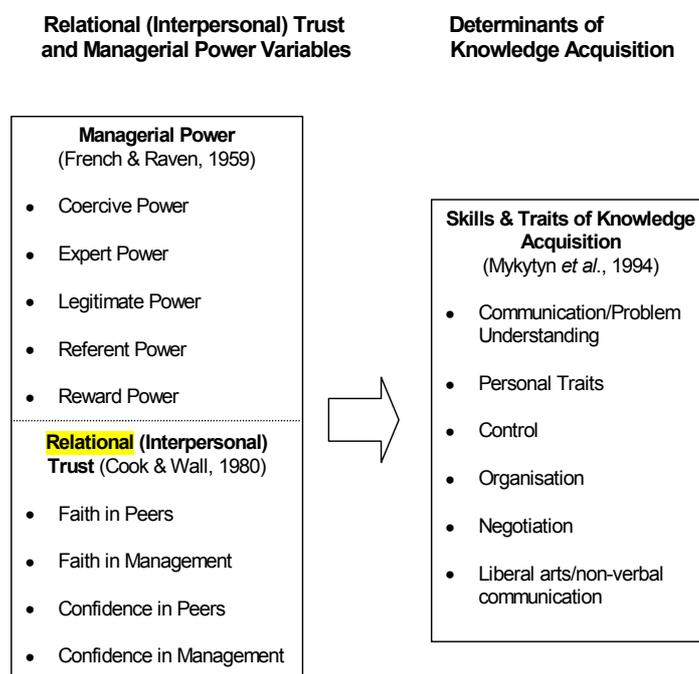
*Hypothesis 2a:* Faith in peers will be positively related to the skills and traits of knowledge acquisition.

*Hypothesis 2b:* Faith in management will be positively related to the skills and traits of knowledge acquisition.

*Hypothesis 2c:* Confidence in peers will be positively related to the skills and traits of knowledge acquisition.

*Hypothesis 2d:* Confidence in management will be positively related to the skills and traits of knowledge acquisition.

The nine hypotheses are summarised in the research model shown in Figure 1



**Figure 1:** Summary of variables used in the paper

Moreover, in a recent study Politis (2001) found strong positive relationships between various leadership style dimensions and knowledge acquisition attributes. Yet, performance is largely affected by leadership's effective use of power (Kipnis & Schmidt, 1988). It is thus, reasonable to hypothesise that the dimensions of managerial power would provide an increase in the level of prediction of knowledge acquisition, after being statistically controlled for the predictive effects of interpersonal trust.

*Hypothesis 3:* The statistical prediction of the knowledge acquisition factors from the relational (interpersonal) trust variables will be increased with the addition of power factors in the set of interpersonal trust predictor factors.

## 4. Sample and procedures

### 4.1 Sample

The sample was selected from service (telecommunications and banking) and manufacturing organisations operating in the United Arab Emirates. Discussions with both management and employees suggested that the selected organisations were relatively flat with maximum six levels of hierarchy. First line managers/supervisors, namely knowledge workers, who were engaged in selling services, servicing customers and manufacturing operations, participated in the study. One hundred and nineteen first line managers (82.5 percent response rate) provided the data. Twenty-one first-line-managers returned

incomplete questionnaires, which were excluded, from the final sample of 119. The sample consisted of 100% males. Approximately two-quarters of participants had attained a college diploma or degree qualifications and almost one-half had received technical college qualifications.

## 4.2 Procedures

Survey questionnaires were pre-tested, using small number of respondents (about one dozen; the pre-test participants did not participate in the final data collection). As a consequence of the pre-testing, relatively minor modifications were made in the written instructions and in several of the demographic items. The revised survey, written in English, was then administered to the organisational respondents in a class room environment. Written instructions, along with brief oral presentations, were given to assure the respondents of anonymity protection and to explain (in broad terms) the purpose of the research. The participants were all given the opportunity to ask questions and were encouraged to answer the survey honestly; anonymity was guaranteed and no names or other identifying information was asked.

## 4.3 Analytical procedure

Confirmatory factor analysis (CFA) is a widely acknowledged technique for testing the psychometric properties of measurement instruments. Bagozzi, Yi and Phillips (1991) emphasised the superiority of CFA to other methods such as the traditional factor analysis and Campbell and Fiske's (1959) multi-trait/multi-methods approaches for examining the construct validity of survey instruments. Thus, a CFA was used for the factor analysis (measurement model) and for the regression analysis (structural model). Following the recommendations of Sommer, Bae and Luthans (1995), a measurement model was developed and then, with this held, a structural (path) model. The factorial validity of the measurement model was assessed using CFA. Given adequate validity coefficient of the measurement model, the number of indicator variables in the model was reduced by creating a composite scale for each latent variable (Politis, 2001). The parameters of regression coefficient  $\lambda_i$  and measurement error  $\theta_i$ , of each composite latent variable, were used as fix parameters in the structural model. The analytical procedure, to calculate the  $\lambda_i$  and  $\theta_i$ , is detailed in Politis's (2001) study. All of the CFAs were run using the Analysis of Moment

Structures (AMOS, version 4) software (Arbuckle, 1997).

As a test of the measurement and structural models, a mixture of fit-indices was employed to assess model fit. The ratio of chi-square to degrees of freedom ( $\chi^2/df$ ) 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), three other relative indices; the goodness-of-fit index (GFI), the adjusted goodness-of-fit index (AGFI) and the Tucker and Lewis index (TLI) were computed to provide a more robust evaluation of model fit (Tucker & Lewis, 1973; Tanaka, 1987). For GFI, AGFI and TLI, coefficients closer to unity indicate a good fit, with acceptable levels of fit being above 0.90 (Marsh, Balla & McDonald, 1988). For root mean square residual (RMR) and root mean square error approximation (RMSEA), evidence of good fit is considered to be values less than 0.05; values from 0.05 to 0.10 are indicative of moderate fit and values greater than 0.10 are taken to be evidence of a poorly fitting model (Browne and Cudeck, 1993).

To improve the psychometric properties of either the measurement or structural model, without altering the base models, the Modification Indices (MI) provided by AMOS were utilised to trim individual items contained in each factor. The author chose to trim items from the survey to eliminate items that cross-loaded on different factors. Refinements to survey instruments using 'item trimming' without altering the underlying model can help further organisational research on survey measures (Podsakoff & Organ, 1986), without necessarily modifying the conceptual model it was designed to assess.

## 5. Measurement models

### 5.1 Managerial power variables

For this research, managerial power was assessed by using French and Raven's (1959) power-based taxonomy. We measured French and Raven's (1959) bases of power using a modified version of Hinkin and Schriesheim's (1989) 20-item power scale, as adapted by Nesler, Aguinis, Quigley and Tedeschi (1993). The scale employs a nine-point response scale (1 = disagree; 9 = agree), and consists of five subscales: coercive power, expert power, legitimate power, referent power, and reward power. Based on the results of a CFA supporting five power factors, these items were used to create five composite scales: coercive

power (3 items,  $\alpha = 0.71$ ); expert power (4 items,  $\alpha = 0.76$ ); legitimate power (4 items,  $\alpha = 0.81$ ); referent power (4 items,  $\alpha = 0.89$ ); and reward power (3 items,  $\alpha = 0.77$ ). Two items were dropped due to cross loading; these being of the order of, or less than, 0.16.

## 5.2 Relational (interpersonal) trust variables

Relational (interpersonal) trust measures were assessed by using Cook and Wall's (1980) 12-item scale. The scale employs a seven-point response scale (1 = strongly disagree; 7 = strongly agree), and consists of four subscales: faith in peers, faith in management, confidence in peers, and confidence in management. Based on the results of a CFA supporting three factors, these items were used to create three scales: faith in peers (3 items,  $\alpha = 0.82$ ), confidence in peers (4 items,  $\alpha = 0.79$ ), and confidence in management (4 items,  $\alpha = 0.69$ ). One item was dropped due to cross loading; this being of the order of, or less than, 0.15.

## 5.3 Determinants of knowledge acquisition

The skills and traits of knowledge acquisition were assessed by using Mykytyn, et al.'s (1994) 26-item scale. The scale employs a seven-point response scale (1 = very unqualified; 7 = very qualified), and consists of six subscales: communication/problem understanding, personal traits, control, organization, negotiation, liberal arts and non-verbal communication. Based on the results of the CFA four factors were supported: communication (6 items,  $\alpha = 0.74$ ), personal traits/control (6 items,  $\alpha = 0.77$ ), problem understanding (5 items,  $\alpha = 0.82$ ), and organisation (6 items,  $\alpha = 0.70$ ). Three items were dropped due to cross loading; these being of the order of, or less than, 0.11.

## 6. Path modelling

As discussed earlier in the analytical procedure section, the parameters in the path model (i.e.  $\lambda_i$  and  $\theta_i$ ) we calculated. Table 1 reports the means, standard deviations, reliability estimates, and  $\lambda_i$  and  $\theta_i$  estimates for the analysis. Once these parameters—regression coefficients ( $\lambda_i$ ), and the measurement error variances ( $\theta_i$ ) — were calculated, this information was fed into the path model to examine the relationships among the latent variables. The model of Figure 2 contains the five dimensions of managerial power, the three relational (interpersonal) trust dimensions and the four knowledge acquisition variables.

**Table 1:** Descriptive statistics, reliabilities, and  $\lambda_i$  and  $\theta_i$  estimates

Composite latent variables	Mean	SD ( $\sigma$ )	Reliability estimate $\alpha$	Regression coefficient $\lambda = \sigma \sqrt{\alpha}$	Error variance $\theta = \sigma^2(1 - \alpha)$
<i>Managerial bases of power</i>					
Coercive power	6.52	2.27	.71	1.91	1.49
Expert power	5.68	1.84	.76	1.60	.812
Legitimate power	6.79	1.42	.81	1.38	.444
Referent power	6.67	2.01	.89	1.89	.440
Reward power	6.09	2.26	.77	1.98	1.17
<i>Relational (interpersonal) trust variables</i>					
Faith in peers	5.59	1.09	.82	0.99	.214
Confidence in peers	5.79	1.09	.79	1.05	.292
Confidence in management	4.79	1.51	.69	1.25	.707
<i>Determinants of knowledge acquisition</i>					
Communication	5.37	0.83	.74	0.71	.179
Personal traits/Control	5.27	0.92	.77	0.81	.195
Problem understanding	5.39	0.98	.82	0.89	.173
Organisation	5.43	0.74	.70	0.62	.164

N = 119

The analysis revealed that the structural model of Figure 2 fit the data fairly well, with  $\chi^2 = 69.6$ ;  $df = 24$ ; ( $\chi^2/df = 2.90$ ); GFI = 0.90; AGFI = 0.88; TLI = 0.86; CFI = 0.89; RMR = 0.106; and RMSEA = 0.083. Alternative models were examined with either paths added, reversed or removed, but none improved the model fit.

## 6.1 Hypotheses testing

Figure 2 displays results of the best fit structural equations model. As predicted by hypothesis 1a (H1a), there were significant positive relationships between coercive power and knowledge acquisition attributes. *Coercive power* was strongly and positively related to *communication* ( $\gamma_1 = 0.32$ ,  $p < 0.001$ ), *personal traits/control* ( $\gamma_2 = 0.21$ ,  $p < 0.01$ ), *problem understanding* ( $\gamma_3 = 0.30$ ,  $p < 0.001$ ), and *organisation* ( $\gamma_4 = 0.27$ ,  $p < 0.01$ ), supporting H1a.

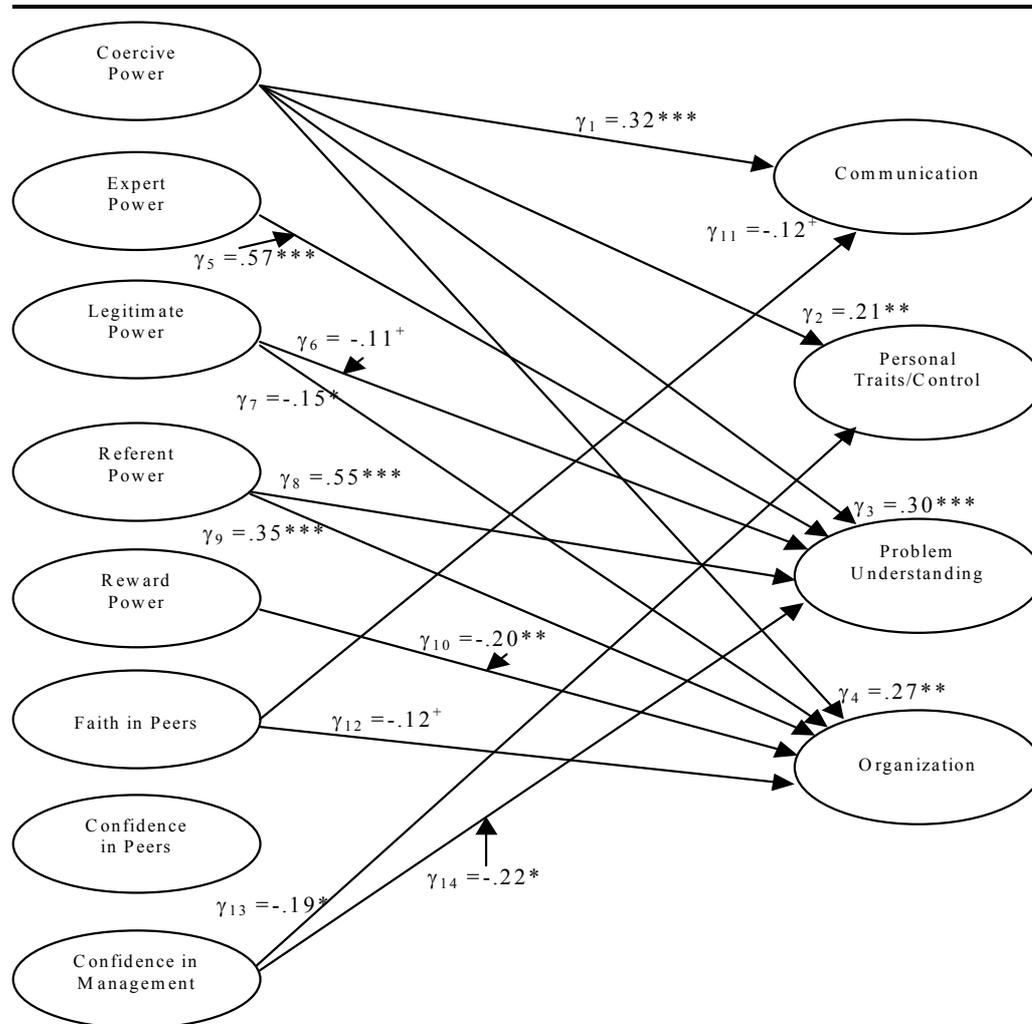
Hypothesis 1b (H1b) predicted that expert power will be positively related to knowledge acquisition attributes. The standardised path coefficient between *expert power* and *problem understanding* was strong and significant ( $\gamma_5 = 0.57$ ,  $p < 0.001$ ), marginally supporting H1b.

The expected relationship between expert power and the other dimensions of knowledge acquisition, viz. communication, personal traits/control, and organisations, was not supported. Contrary to Hypothesis 1c (H1c), legitimate power was negatively related to

problem understanding ( $\gamma_6 = -0.11, p < 0.10$ ), and organisation ( $\gamma_7 = -0.15, p < 0.05$ ), while the results showed no other relationship between legitimate power and communication or personal traits/control.

**Relational (Interpersonal) Trust and Managerial Power Variables**

**Determinants of Knowledge Acquisition**



**Figure 2:** Structural estimates of the hypothesised model <sup>α</sup>

Note: <sup>α</sup> Standardised path coefficients,

N = 119

<sup>+</sup>  $p < 0.10$

<sup>\*</sup>  $p < 0.05$

<sup>\*\*</sup>  $p < 0.01$

<sup>\*\*\*</sup>  $p < 0.001$

All correlations of predictor variables were statistical significant at 0.01 level.

As predicted by Hypothesis 1d (H1d), there were significant positive relationships between referent power and two dimensions of knowledge acquisition. Specifically, *referent power* was strongly and positively related to

*problem understanding* ( $\gamma_8 = 0.55, p < 0.001$ ) and *organisation* ( $\gamma_9 = 0.35, p < 0.001$ ). The expected relationship between referent power, communication and personal traits/control was not supported. Finally, the relationship

between reward power and organisation was in the wrong direction ( $\gamma_{10} = -0.20, p < 0.05$ ), not supporting predictions. No paths were significant between reward power and the other knowledge acquisition attributes, hence, not supporting Hypothesis 1e (H1e).

In relation to relational (interpersonal) trust-knowledge acquisition relationship, the findings are not consistent with the hypotheses. Specifically, the results showed that *faith in peers* was negatively related to *communication* ( $\gamma_{11} = -0.12, p < 0.10$ ) and *organisation* ( $\gamma_{12} = -0.12, p < 0.10$ ), not supporting Hypothesis 2a (H2a). Hypothesis 2b was not tested, because the variable *faith in management* was not supported by the CFA. Moreover, Hypothesis 2c (H2c) predicted that confidence in peers will be positively related to knowledge acquisition attributes. This prediction was not supported (see Figure 2), in that no paths were significant between *confidence in peers* and the factors of knowledge acquisition. Finally, Hypothesis 2d (H2d) predicted a positive and significant relationship between confidence in management and knowledge acquisition. Contrary to prediction, the relationships between *confidence in management* and both *personal traits/control* and *problem understanding*, were in the wrong direction ( $\gamma_{13}$

= -0.19,  $p < 0.05$  and  $\gamma_{14} = -0.22, p < 0.05$ , respectively), not supporting H2d. No other paths were significant between confidence in management and the dimensions of knowledge acquisition.

The structural equations results supported Hypothesis 3 (H3) for all dimensions of knowledge acquisition attributes (see Table 2). As expected, the dimensions of power measured by Nesler et al. (1993) scale provided small but statistical significant incremental validity for the knowledge acquisition attributes. For example, it was found that the coefficient of determination for the structural equations for communication was 0.39 ( $R^2 = 0.39$ ). In other words, the combined effect of the five managerial power dimensions and the dimension of interpersonal trust (predictor variables) explains 39 per cent of the variation in communication. The remaining 61 per cent are not explained. As shown in Table 2, the results revealed that the measures of managerial power provided a small but statistically incremental validity for the dependent variables of communication (9 per cent), personal traits/control (2 per cent), problem understanding (4 per cent), and organisation (10 per cent), supporting H3.

Table 2 Coefficient of determination ( $R^2$ ) of knowledge acquisition attributes

	Dependent Variables With relational (interpersonal) trust dimensions	With the addition of of managerial power dimensions	Coefficient of Determination ( $R^2$ ) Incremental predictive power
Communication	0.30	0.39	0.09
Personal Traits/Control	0.04	0.06	0.02
Problem Understanding	0.04	0.08	0.04
Organization	0.19	0.29	0.10

## 7. Discussion

The aim of this study was to extend the field of research by investigating the combine effect of managerial power and relational (interpersonal) trust on the skills and traits of knowledge acquisition. Furthermore, the predictive power of the factors of managerial

power in the set of the predictor variables was examined.

To a large extent the results are consistent with the realm of power and organisational performance literature, in that managerial power is necessary to produce effective results (Fairholm, 1993), and to increase performance output (Kipnis & Schmidt, 1988). The findings

are also consistent to those of previous studies in which Politis (2003) found that some power dimensions are positively related to knowledge acquisition attributes. The results showed that coercive power, referent power, and expert power are important determinants of communication, personal traits/control, problem understanding, and organisation (i.e. dimensions of knowledge acquisition). Specifically, the results suggest that those leaders who provide employees with special knowledge, i.e. expert power, can encourage and facilitate specific behavioural skills and traits of knowledge workers (i.e. problem understanding) that are essential for knowledge acquisition. In that regard, Politis (2001) chose to refer to those leaders as 'knowledge-enabled leaders', while Brenneman, Keys and Fulmer (2000) describe them as 'servant leaders'. Such leaders encourage personal traits, negotiation, and other learning activities and act as servants to others in order to stimulate and inspire organisational learning.

Furthermore, referent power (personality power) does facilitate negotiation between knowledge workers. In other words, the ability of leaders to develop followers from the strength of their own personalities does encourage followers' problem understanding, viz. *open-minded; probing; conceptualising; rational thinking; and hindsight*, and organisation, viz. *leadership; speaking; writing; management; and domain knowledge*, all of which being essential ingredients for knowledge acquisition and knowledge sharing.

Moreover, the findings are not consistent with the literature of relational trust and knowledge management. The study failed to identify strong relationships between the dimensions of interpersonal trust and knowledge acquisition attributes, not supporting previous empirical findings. It is implied in these results that organisations may acquire and share knowledge via technology and through individuals who never develop strong interpersonal relationships, thus interpersonal trust (Ford, 2001). These organisations may run into a risk of developing a culture whereby employees through words, actions, or decisions, act 'opportunistically' (Robbins, 2003), in a way that individuals are steeped as being strongly antagonistic to knowledge sharing. This type of culture raises the concern of embeddedness, that is, the type of behaviour embedded in structures of social relations (Granovetter, 1985). This should be

examined through a series of field studies or experimental studies.

Finally, it was found that the dimensions of managerial power provided statistically significant additional predictive power, after having statistically controlled for the predictive effects of interpersonal trust dimensions. This implies that managers in countries with high power distance (i.e. approximately 82 out of 110 points in Hofstede's (1991) Power Distance Index) are more likely to be paternalistic towards employees, thereby, facilitating their skills and traits for knowledge acquisition. An issue that has been raised by this paper is that it may be possible for cultures with high power distance (i.e. Arab, Far Eastern and Latin countries) to do some, if not all the knowledge processes without interpersonal trust (i.e. solely through organisational trust and managerial power); an argument supported by Ford (2001).

In conclusion, managers can exercise power through their position and rewards, but cannot force relational (interpersonal) trust to occur. They can actively encourage and facilitate however, a knowledge-sharing environment, and discourage industrial age thinking and opportunistic behaviours.

### 7.1 Limitations and future work

The present study limited its focus to a key set of managerial power, relational trust and determinants (skills and traits) of knowledge acquisition. Although the variables of relational (interpersonal) trust and managerial power used in this study were considered important in facilitating a knowledge-sharing culture, future research models should examine the relationship of knowledge acquisition to other factors, such as task complexity, organisational trust (Ford, 2001), culture and leadership (Davenport, DeLong & Breers, 1998), and organisational and social networks (Lincoln & Miller, 1979; Granovetter, 1985).

Although from the analytical perspective structural equations modelling has a number of advantages in testing statistical causal relationships, actual causality cannot be tested directly. So ideally future research must test causality using experimental or longitudinal data for more definite results. Finally, the cross-sectional nature of the study renders it vulnerable to problems typically associated with survey research (common method variance). To account for the common method variance problems, it would have been

advantageous for future researchers to gather data from multiple sources.

## 7.2 Notes

- [1] Stephanie Pursley, Knowledge Management Partner at Freehills, Sydney Office, Australia ([www.freehills.com](http://www.freehills.com)).
- [2] Sir Francis Bacon, ([www.brainyquote.com/quotes/quotes/s/q100764.html](http://www.brainyquote.com/quotes/quotes/s/q100764.html)).

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