

# The Effect of Strategic Leadership on the Organisational Effectiveness in the Presence of Moderating Influence of Knowledge Management: The Case Study of Public Sector

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**Abstract---Purpose:** *The key aim behind undertaking this study is to find the effect that strategic leadership induces on the organisational effectiveness with the moderating role played by knowledge management*

**Design/Method/Approach:** *Quantitative design has been adopted to test and identify the moderating effect of knowledge management in the midst of the relationship between OE (organisational effectiveness) and SL (strategic leadership). A self-administered questionnaire has been used for data collection whereas sample of 386 employees working in the public sector of Malaysia has been selected. SEM technique has been utilised through SmartPLS in order to test the direct effect, indirect effects of independent and moderating variable.*

**Findings:** *The study found that there KM significantly moderates the relationship between SL and OE thereby confirming the indirect effect of SL with OE. Additionally, the direct effect of KM on OE has also been computed meanwhile, the direct effect of SL on OE has also been confirmed.*

**Practical Implication:** *The study has implications for the public sector of Malaysia that can comprehend the information and use the findings for further increasing efficiency in knowledge management and for organisational effectiveness in the region.*

**Keywords---***Organisational effectiveness, Knowledge Management, Strategic Leadership, Public Sector, Malaysia*

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## I. Introduction

This study discusses the concept of strategic leadership and the organisational effectiveness and also the concept of knowledge management in the public sector operating in Malaysia in terms of the impact of strategic leadership on the effectiveness of an organisation having knowledge management as an impacting factor on both strategic leadership and organisational effectiveness. This study is primarily focused on the public sector including the organisations that are currently operating in the public sector of Malaysia. Strategic leadership is defined as the potential of the upper management in terms of expressing a strategic vision for the organisation based on its growth and also includes motivating employees working in the organisation to work according to the accomplishment of the vision and organisational goals (Joyce, 2012). Knowledge management refers to the sharing, accessing of the information associated to the organisation in terms of enhancing the skillset of employees and to increase their knowledge regarding their job roles that lead towards the increase in the efficiency of employees and in also their overall productivity (Dalkir, 2013; Jermisittiparsert & Boonratanakittiphumi, 2019; Saengchai, Sawasdee, & Jermisittiparsert, 2019). When it comes to the organisational effectiveness, it refers to the efficiency of an organisation towards meeting its goals and objectives where an organisation performs effectively in terms of attaining

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sustainable growth and becomes productive in terms of making its performance and profitability better (Rothaermel, 2017; Jermstittiparsert, Namdej, & Sriyakul, 2019). The significance of strategic leadership in terms of organisational effectiveness and knowledge management can be considered to be higher as these factors are essential for the growth of an organisation. As far as the organisations operating in the public sector of Malaysia are concerned, these three factors play a vital role in the growth of the public sector of Malaysia that has been discussed in this study through the impact of strategic leadership on the organisational effectiveness.

## **II. Literature Review**

Strategic leadership has become highly important for organisations that are operating in the contemporary era in terms of the increasing competition and with a vision of gaining consistent growth in order to boost profitability and gain competitive advantage (Davies and Davies, 2012). According to the study conducted by Gregory and Willis (2013), strategic leadership is defined as the potential of the management and the top executives to express a vision of strategic approach on the basis of which the organisation is aimed to run. Moreover, strategic leadership also refers to the ability of the leaders to influence others in terms of making rights decisions in different situations that could enhance the prospects for the long-term success of the organisation (Davies and Davies, 2012). It includes making accurate strategies that could bring positive outcomes for the organisation in terms of its growth. Strategic leadership holds high significance in the organisational context where the primary objective of adopting strategic leadership is gaining strategic productivity. According to the study conducted by Joyce (2012), there are few traits of strategic leadership that are found in leaders who have a strategic approach for organisational growth. These traits include loyalty towards the vision, keeping updated regarding the happenings of the organisation in terms of the deciding the approach to make the organisation perform effectively, motivation in terms of making employees work according to the vision of the organisation and to let them make decisions (Metcalf and Benn, 2013).

When it comes to the relationship of strategic leadership with the organisational performance, there have been various studies conducted on the similar aspect that show a positive relationship of strategic leadership and organisational effectiveness (Igbaekemen, 2014). According to the study conducted by Agrawal (2015), skilled leaders who possess the characteristics of strategic leadership are able to guide their employees in order to make them perform in an effective manner and with increased productivity that ultimately increases the effectiveness of the organisation. Based on the study conducted by Carter and Greer (2013), a company is more likely to be in various issues related to morale, confidence and productivity among the employees working in that organisation and also at the same time the stockholders of the company may panic regarding their investments if a company specifically operating in the public sector lacks strategic leadership that also impacts its performance and the effectiveness of the organisation that ultimately makes strategic leadership important for these organisations wherever it is operating. Strategic leadership is primarily the aptitude in terms of operating successfully and show extraordinary performance based on both financial and sustainable growth aspects (Rothaermel, 2017).

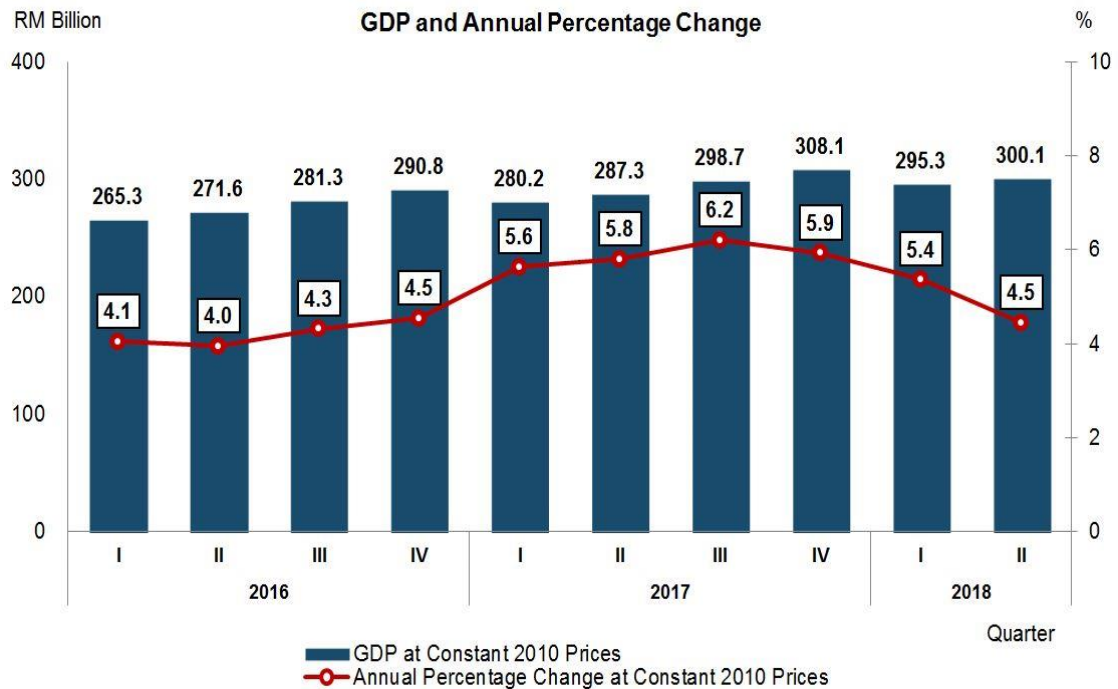


Figure 1: GDP growth of Malaysia through the Public Sector

According to the study conducted by Aarons et al (2015), organisations always require specific abilities, resources and organisational proficiencies and habits that could increase the performance of the organisation and could help the management develop effective strategies. From this aspect, there is a concept by the name of knowledge management that has become significant in the organisational sector that deals with the access and sharing of knowledge in terms of the information associated with the business process of an organisation in order to enhance the skill set of employees working in the organisation and to make them work effectively (Dalkir, 2013). The relationship of knowledge management with strategic leadership and organisational effectiveness could be assessed through the role it plays in the development of strategies and the increase in the organisational effectiveness that has ultimately become vital for the organisational growth and also in terms of gaining a competitive edge over its competitors (Fuller, 2012).

When it comes to the public sector operating in Malaysia, the significance of strategic leadership seems higher in terms of the higher and significant impact of strategic leadership on the organisational performance and effectiveness (Aziz et al, 2013). There are various studies available on the concept of strategic leadership and its role in the increasing organisational effectiveness in Malaysian organisations operating in the public sector where strategic leadership is directly and positively associated with the organisational effectiveness. However, it has been found in the study conducted by Khan, Hassan and Marimuthu (2017), knowledge management plays a vital role in the public sector of Malaysia where the management believes on sharing and providing an access of information to the stakeholders of the organisation in order to make the leadership develop strategies according to the behaviour and impact of the stakeholders of these organisations that could drive and boost the performance and effectiveness of these organisations. It shows that the organisations operating in the Malaysian public sector are highly influenced by the strategic leadership and knowledge management leading towards increasing organisational effectiveness.

### III. Theoretical Concept and Framework

### **Theoretical Contribution**

#### **Participative Theory of Leadership**

The participative theory of leadership discusses the ideal leadership style that is based on taking the ideas and suggestions of others into consideration in order to develop strategies and to operate leading towards the effective growth of the organisation (MALOŞ, 2012). In this particular leadership style, the leader is primarily focused on making his or her employees participate in the decision making processes and to propose their ideas and thoughts regarding the strategies in order to run the department effectively. Encouraging participation and contributions from the group members and helping group members feel more comfortable and accountable are the main objectives behind participative leadership (Arnold and Loughlin, 2013).

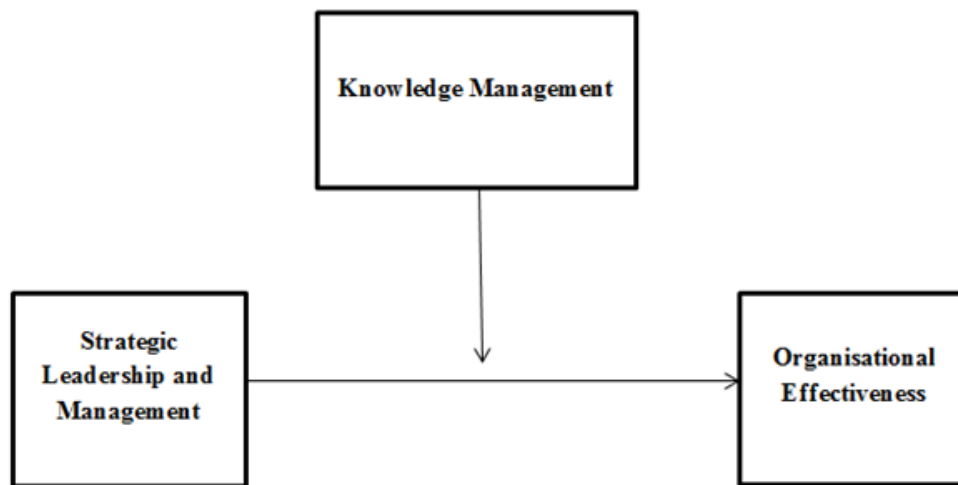


Figure 2: Conceptual Framework

This participative theory of leadership could contribute to the study as this study is particularly focused on assessing the impact of strategic leadership on organizational effectiveness. However, in this study, the independent variable is strategic leadership whereas the dependent variable is organizational effectiveness and the mediating variable that has an impact on both of the variables is knowledge management. Participative theory of leadership could help this research to determine whether the Malaysian public sector specifically the organisations operating in this sector has this type of leadership and how this leadership approach increases the effectiveness of these organisations in Malaysia. The selected theory would help this research to be conducted in an effective way and would also help assess the relationship of strategic leadership and the organisational effectiveness in terms of relating participative theory with the current leadership approach in organisations operating in the public sector of Malaysia. This could be the whole contribution of this theory in the study.

### **Practical Contribution**

There are various practical contributions of this study as this study focuses on assessing the impact of strategic leadership on organisational effectiveness in terms of getting organisational growth with an increasing profitability. Moreover, the role of knowledge management in adopting strategic leadership and increasing organisational effectiveness has also been discussed in terms of assessing its impact on both of the variables of this study. Through the findings of this study, the Public sector of Malaysia could highlight the weak areas in their respective organisations in terms of making strategies according to the vision of these organisations. Furthermore, this study could help these organisations operating in the Malaysian Public

sector in terms of adopting strategic leadership in their operations and to engage its employees within the decision making processes in order to increase their efficiency and to make the organisation operate in an effective manner with an increased profitability and to achieve a sustainable growth. The findings of this study could be beneficial for the public sector in terms of gaining the trust of its stakeholders through having a participative and strategic leadership that could keep the stakeholders satisfied in terms of the performance of these organisations operating in the Public Sector of Malaysia.

#### **IV. Association between SL (Strategic Leadership) and OE (Organisational Effectiveness)**

Strategic leadership as denoted by SL is associated with the ability of a manager or a leader to be able to predict pertaining in the environment and being able to take decisions flexibly. It has also been regarded as the way of empowering stakeholders of the organisation in order to further allow them to bring required changes in the strategy (Hitt, Haynes and Serpa, 2010). In addition to this, the various multi-functional strategies that are incorporated by the leaders in the organisation are linked with the ability to achieve strategic goals and objectives. It further allows the firm to take appropriate actions in order to deal with the challenges pertaining within the business environment both internally and externally. However, the argument has been presented by Taneja et al. (2013) that SL of the firm can only be successful if the designed strategies are leading in the direction of the achievement of organisational objectives. Nevertheless, the study has further professed that it can be probable if the firm is capable to incorporate knowledge management along with a certain extent of adaptive capabilities and innovativeness. In this way, strategic management along with strategic leadership can lead towards organisational effectiveness as well as performance if the implementation and design of strategies is based on effective management of knowledge (Mubarak and Yusoff, 2019). Conferring to the research carried out by Kamariah et al. (2013), the strategic leadership has been playing a very important role in public sector because it is regarded as the way of addressing bureaucratic bottlenecks as well as the exploitation of the opportunities that are found within the sector. Hence, on the basis of the pertinent literature, the following hypotheses have been formed:

- H1: The association in the midst of OE and SL is significant

#### **V. Association of KM (Knowledge Management) with OE (Organisational Effectiveness)**

Aldulaimi (2015) presented the findings which signified that KM is considered as the orderly procedure where the stakeholders of the organisation are being managed and communicated with one another in order to achieve the tactical intentions and objectives of the organisation. In this way, the link of SL with knowledge management is regarded as important because it allows the firm to encompass measures with which significant knowledge can be utilised due to the intention of attaining a competitive edge in the business (Mittal and Dhar, 2015). According to Rahman et al. (2018), with the influence from a strategic leader the firm with certain expertise with which the internal along with the external environment of the firm can be managed along being able to incorporate and manage complex information. In the same vein, SL has been prone to playing a very vital part in the organisation of knowledge as well as appropriate information in the firm.

In the same vein, the various studies have confirmed that a leader of the firm can produce noteworthy performance and effectiveness of the corporation as justified in the studies such as (Zhang et al. (2015) and Goleman (2000) because they are inclined towards making decisions by combining the factors of internal and external environment (Hambrick and Quigley, 2014). However, it has been argued by Gao, Li and Clarke (2008) who professed that KM cannot only be interrelated with information management, but it is also a combination of storage, sharing, identification and creation of knowledge by diverse groups functioning within the firms. This specific argument has also been supported by the other various studies such as King (2009) and Sun (2010). Hence, strategic management of knowledge can also lead to higher organisational effectiveness

as it is directly linked with the strategic objectives as well as goals of the firm as justified in the study of Lee and Choi (2003) and Kafashpoor, Shakoori and Sedeghian (2013). As per these findings from literature, the following hypotheses have been formed:

- H2: The association in the midst of OE and KM is significant

## **VI. Strategic Leadership in Malaysian Public Sector**

Strategic leadership has been playing a very significant part in the public sectors as Kamariah et al. (2013) have stated that public sector leadership has been engaged in dealing with the tailbacks that are pertaining in the external environment and also focusing on finding opportunities in the market. The study conducted by Yusoff (2008) has found that environment and organisation need to be closely aligned within the domain of strategic management; firm's operating in the public sector of Malaysia have been engaged in adapting to changing demand and it is the basic essence of strategic leadership of the sector. However, the research has further argued that SL in the Malaysian public sector is fundamentally regarded as a contested and political process which needs to be considered when designing a strategy in the firms. Nevertheless, Singh Sandhu et al. (2011) have also stated that Malaysian firms have a positive view regarding knowledge sharing. While citing the study of Syed-Ikhsan and Rowland (2004), Singh Sandhu et al. (2011) have professed that knowledge management problems have been pertaining in the public sector found in Malaysia due to poor channels of communication, structure and bureaucratic culture.

According to Johari, Alam and Said (2018), recently public sector has been regarded as the global concern because of the consistent issues related with the failure of governance, inefficiency, corruption and fraud. In this way, the commitment of management in Malaysian public sector has been leading towards organisational effectiveness because the government has been engaged in initiating various programs which are aiming at motivating and promoting practices of commitment within all public sector departments. The strategic leadership of public sector in Malaysia is inclined towards remaining transparent while undertaking their duties (Johari, Alam and Said, 2018). It has also been a strategic vision of the Malaysian public sector has been prone to improving level of commitment and effectiveness of the organisations (Aziz et al., 2015; Said, Alam and Khalid, 2016). Studies have also shown that the government of Malaysia has been embarking on the various administrative reformed for improving the effectiveness as well as efficacy of service delivery (Siddiquee, 2006; Boyne, Meier and O'Toole, 2006).

Johari et al. (2019) have stated that public service firms have been frequently under pressure as they are required to improve and enhance their services; however, their effectiveness is dependent on various factors and one of these factors is strategic leadership. However, lack of empirical findings has been found in the previous studies regarding the effect that SL has on the OE with the presence of moderating effect of knowledge management. Previous studies have found a significant association amid KM and SL (Lakshman, 2009 and Masa'deh, Maqableh and Karajeh, 2014) as well as amid OE and KM (Jooste and Fourie, 2009). However, model that tests the moderating role of KM amid OE and SL lacks evidence. This gap is also supported by Trigeorgis and Reuer (2017) who stated that firms are required to better comprehend how strategic leadership provides the way of managing knowledge and execution of information for achieving firm's goals. With regard to this gap, the model has been tested where the knowledge management moderates the association in the middle of OE and SL. With respect to the conceptual framework of this study, the following hypotheses have been formulated:

- H3: Moderating effect of KM in the middle of OE and SL is significant

## **VII. Design/methodology approach**

Research design is concerned with the overall plan which provides the structure to the research within which all the main elements of the study are encapsulated. The choice of research design leads towards credible outcomes and maximally generalised results free from biases (Dannels, 2018). The quantitative design has been adopted based on positivist philosophy and deductive approach because it has been based on model testing and identification of the moderating effect of KM amid organisational effectiveness and strategic leadership. Other significant elements of the method incorporated in this research are provided and justified below:

### **Population and data collection procedure**

The data collection method is regarded as the choice of technique used for gathering information from either primary or secondary sources. Primary sources are regarded as the way of collecting information by directly reaching to the respondents and on the contrary secondary information is the one that is already existing and taken from the sources such as journals, books, articles etc. The data in this study has been based on primary sources where under the survey strategy self-administered questionnaire has been used for collecting information. However, for collecting information, first, the researcher has selected the study's population. The population was based on the public sector of Malaysia. In this way, the researcher has opted for employees who have been working in the public sector of Malaysia. Hence, data has been collected by using a self-administered questionnaire was used to collect data from the employees of the Malaysian public sector.

On the basis of the calculations put forward by Freund and Cellary (2017), an estimation for the population is required for the purpose of enhancing the information gathering process of the research. The mathematical expression used for this purpose is as follows:

$$n = \frac{z^2 \times p \times (1 - p)}{e^2}$$

Herein,  $z$  is considered as the critical value at the 95% confidence level. The value of  $p$  denotes the variability in the population which has been taken as 50%. In addition to this, the error in the process has been assumed as of 5%.

$$n = \frac{(1.96)^2 \times 0.5 \times (1 - 0.5)}{(0.05)^2} = 384$$

Where  $z$  is the critical value at 95% confidence level (1.96),  $p$  is the variability proportion in population which is 50% (0.5). Moreover, the error is supposed to be 5% (0.05). In accordance with the values, the sample has been computed as follows:

$$n = \frac{(1.96)^2 \times 0.5 \times (1 - 0.5)}{(0.05)^2} = 384$$

In the current study, the researcher planned to provide the survey questionnaire by self-administered approach. In realisation of this, the researcher targeted 420 employees of different public sector companies operating in Malaysia. With the consideration of a response rate of 91.9%, the final respondents were found as 386 employees.

### **Sampling technique**

Sampling strategy or technique can either be probability and non-probability; probability technique is regarded is the one where the all the participants have a chance to be selected as the population whereas non-probability sampling is the one where respondents are not given the equivalent chance of being chosen for the study. In this study, the researcher has adopted a non-probability sampling technique where convenience technique has been incorporated. Etikan, Musa and Alkassim (2016) have professed that convenience sampling is the one in which participants of target population meet the overall practical benchmarks such as convenience, obtainability, readiness and vicinity of the participants who take part in the

survey. Hence, using convenience sampling has permitted the researcher in targeting the audience according to their convenience. As the sample population for this study has been the employees of Malaysian public sector, the sample size was 386. However, the researcher had approached 420 employees of the public sector of Malaysia but the rightfully filled questionnaires were 386 and the similar size of the sample has been included for further analysis in this study.

### **Instrument**

The researcher has used a self-administered questionnaire for the purpose of collecting responses from the targeted audience. The researcher has included the age limit of the respondents from 22 to 46 and above whereas Likert scale has been used in the instrument for designing the instrument (questionnaire). With the help of this scale, the researcher has used the range from strongly agree to strongly disagree and the employees of the public sector of Malaysia were asked to fill the questionnaire as per the options of Likert scale. The questionnaire was developed on the basis of the variables of the study where the independent variable was strategic leadership and the dependent variable was organisational effectiveness. Lastly, the moderating variable of the study has been knowledge management. On the basis of these variables, 4 questions have been included in each variable in order to obtain responses from the participants. The questions were created for identifying prospects of strategic leadership, knowledge management and organisational effectiveness in the public sector of Malaysia. The responses of the questionnaire have been analysed by using SPSS where the researcher has conducted a correlation test and hierarchical regression test.

In terms of analysis of data, Structural Equation Modelling (SEM) has been utilised and executed through SmartPLS. It has also been discussed by Kusrkar (2013) the technique is considered to be essential in improving the findings of research because of its characteristics feature of comprehending the reliability, convergent validity, discriminant validity and especially because of the robustness of the model. Primarily, it comprises of path analysis and CFA which help the researchers in the attainment of the aim.

### **Demographic profile**

The demographic profile of the respondents included gender and age the findings are interpreted below:

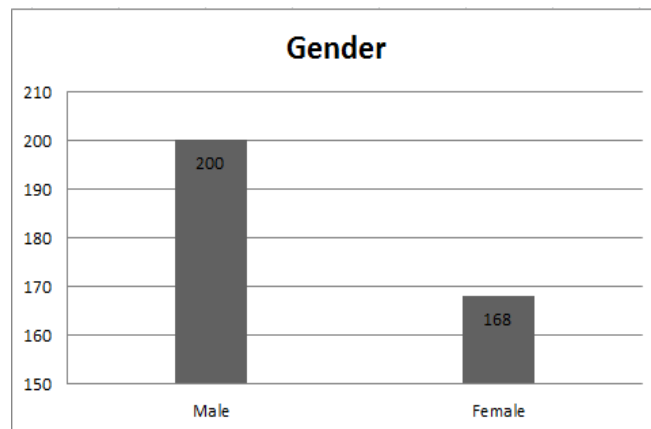


Figure 3: Gender of the Respondents

The graph in figure number of 3 has signified that the total number of female respondents in the survey was 168 (43.5%). On the other hand, the total number of male participants in the survey was 200 (51.81%).



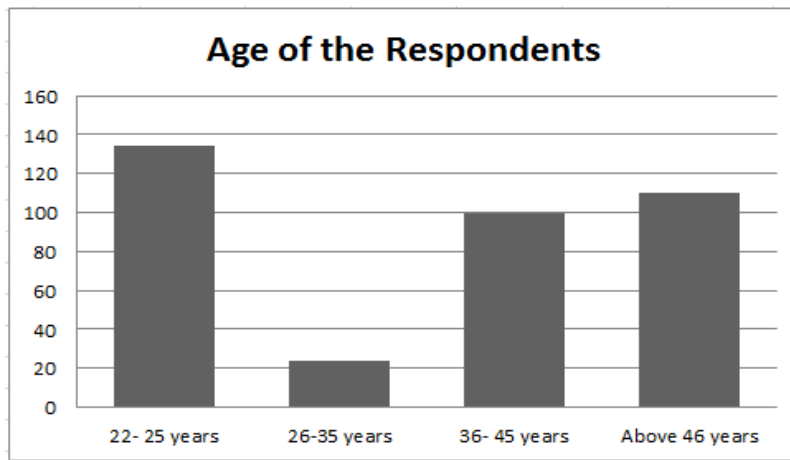


Figure 4: Age of the Respondents

The graph in Figure 4 has signified that the respondents between the ages margin of 22 and 25 were 134 (34.7%) whereas the respondents between the age margin 26 and 35 years were 24 (6.21%). The respondents between the age margins of 36 and 45 years were 100 (25.9%) and the respondents between the age margins of above 46 years were 110 (28.49%).

### VIII. Analysis and Results

The current study focuses to determine the moderating effect of knowledge management in the relation between the strategic leadership and organisational effectiveness for the case of public companies operating in Malaysia. Though different approaches can be adopted in order to determine the moderating effect, however, the current study has utilised structural equation modelling (SEM). It is notable that the fundamental step while executing SEM is concerned with validating the constructs by means of reliability, convergent validity and discriminant validity. With reference to the findings of Afthanorhan (2013), the values of Cronbach's Alpha and Composite Validity are essential in determining whether the latent constructs are reliable. Additionally, the findings of the above researcher have also confirmed that the threshold of both the values is considered as 0.6 thereby indicating these two values of latent constructs must be greater than 0.6 in order to claim the latent constructs are reliable. With reference to table 1, the Cronbach's Alpha values for the latent constructs KM, OE and SL are computed to be 0.74, 0.85 and 0.73 respectively. Moreover, the composite reliability for the same constructs is computed to be 0.84, 0.90 and 0.83 respectively. The study of Scrima (2015) is concerned with the work of convergent validity. The study has suggested that the convergent validity is measured through AVE. Meanwhile, the value in determining whether the constructs possess convergent validity must be greater 0.5. Similarly, below table (Table 1) also highlights that the AVE for all the three constructs has been appeared greater than 0.5 thereby suggesting constructs KM, OE and SL possess convergent validity.

Table 1: Evaluation of Reliability and Convergent Validity

Latent Construct	Items	Factor Loadings	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
Knowledge Management	KM1	0.66	0.74	0.84	0.57
	KM2	0.78			

	KM3	0.82			
	KM4	0.74			
Organisational Effectiveness	OE1	0.76	0.85	0.90	0.69
	OE2	0.83			
	OE3	0.89			
	OE4	0.84			
Strategic Leadership	SL1	0.60	0.73	0.83	0.56
	SL2	0.84			
	SL3	0.79			
	SL4	0.73			

The study of Voorhees (2016) has supported the view that one of the important aspects of CFA is concerned with discriminant validity. Discriminant validity focuses on testing the distinct variables against each other. The ratio is denoted as HTMT whose threshold is generally accepted as values below 0.9 however, 0.85 can also be accepted. In the table below (Table 2), it can be asserted that all the three variables are distinct on the basis of the highest computed value which has been appeared as 0.71.

Table 2: Testing Discriminant Validity of the Constructs

	Knowledge Management	Organisational Effectiveness
Organisational Effectiveness	0.70	
Strategic Leadership	0.71	0.58

The most important aspect of SEM is related to path analysis. The table below (Table 3), also depicts the path analysis for determining the dependencies among independent, dependent and moderating variables. With reference to Table 3, it has been found that the moderating effect of KM in the relation between SA and OE has appeared as positive and significant on the basis of the beta and p-value ( $B=0.071$ ,  $p=0.043 < 0.05$ ). In addition, the direct effect of KM on the dependent variable has also been appeared as positive and significant ( $B=0.443$ ,  $p=0.000 < 0.01$ ). Lastly, the direct effect of SL and OE has also been computed. The values  $B=0.251$  and  $p=0.000$  also suggest that SL has a positive and significant effect on OE. Here it becomes important to mention that all the p-values have been computed with the consideration of 5% error or it can be stated that the values are significant at 5%.

Table 3: Path Analysis

Path	Path Coefficient	T Statistics	P Values
KM*SL -> Organisational Effectiveness	0.071	2.029	0.043
Knowledge Management -> Organisational Effectiveness	0.443	9.211	0.000
Strategic Leadership -> Organisational Effectiveness	0.251	5.380	0.000

In addition, testing the quality of the model also provides insights that determine the extent the independent constructs explain the dependent variable. With reference to the below table (Table 4), it can be asserted that the variance in SL and the moderating effect of KM explains 37.61% variance to the OE. Moreover, the value with the adjustment is computed to be 37.09%.

Table 4: Quality Evaluation Model

	R Square	R Adjusted	Square
Organisational Effectiveness	37.61%		37.09%

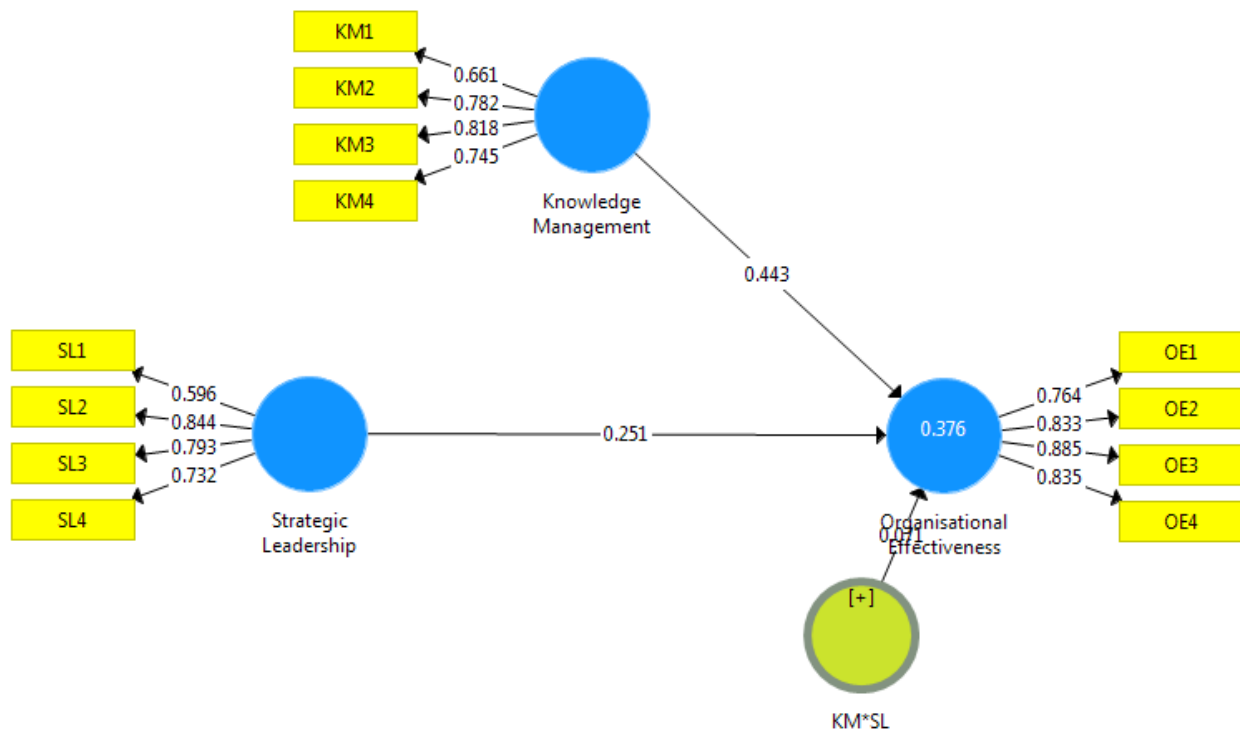


Figure 5: Model after Bootstrapping showing Significance

### IX. Result of Hypothesis

The findings of this research have been presented above led towards finding the association amid dependent and independent variable. The following table indicates if the hypotheses formulated in this research have been rejected or accepted after testing on the responses obtained from 368 employees working in the Malaysian public sector:

Table 5: Hypothesis Testing

Hypothesis	Hypothesis Paths	Findings
H1	The association in the midst of OE and SL is significant	Accepted
H2	The association in the midst of OE and KM is significant	Accepted

H3	Moderating effect of KM in the middle of OE and SL is significant	Accepted
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## X. 10. Recommendations

In accordance with the findings of the study, the following recommendations have been provided:

### Better Knowledge Management Tools

It has been recommended that the strategic leaders of the sector should use more efficient tools for managing knowledge. It can be done through technological innovation in the sector that can increase coordination and cooperation amongst the employees working in the sector. Rahman et al. (2018) stated that better knowledge management tools can lead to higher organisational effectiveness.

### Assessment of Political and Technological Environment

The literature has identified that political issue and lack of better and innovative knowledge sharing tools are one of the major barriers to organisational effectiveness in Malaysia (Johari, Alam and Said, 2018). It can be one of the reasons that the weak relationship has been found amid organisational effectiveness and strategic leadership in this study. Hence, it has been recommended that the strategic leaders should consider making a sound assessment of the political and technological environment in the sector and design and formulate strategies accordingly.

### Limitations of the study

One of the major limitations of the study is associated with the fact that it has only been based on quantitative findings and no interviews have been involved from the managers working in the Malaysian public sector. The study has also been limited to the only public sector of Malaysia whereas future researches can also be conducted in the context of other industries or sectors based in Malaysia. In addition to this, the study has been limited to the region of Malaysia; however, further comparative analysis can be conducted between Malaysia and other countries that are present in a similar region.

## XI. Conclusion

The main purpose of the study has been to find the effect that strategic leadership has on the organisational effectiveness with the moderating role played by knowledge management. Conclusively, the findings have indicated that the correlation amid organisational effectiveness and strategic leadership is significant and positive. However, the relationship can also be deemed as weak which indicate that respondents have not been certain about how strategic leadership has been playing a major role in achieving organisational effectiveness of the public sector of Malaysia. The findings have also indicated that organisational effectiveness and knowledge management are correlated and the relationship is positive and significant. It means that knowledge management in the public sector of Malaysia is significant and it is leading towards significant levels of organisational effectiveness. In addition to this, with the presence of knowledge management, the strategic leadership of the sector has been able to obtain organisational effectiveness and strategic objectives of the firms as well.

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**Appendix**

**Gender**

- Male
- Female

**Age**

- 22- 25 years
- 26-35 years
- 36- 45 years
- Above 46 years

	<b>Strongly Agree (0)</b>	<b>Agree (1)</b>	<b>Neutral (2)</b>	<b>Disagree (3)</b>	<b>Strongly Disagree (4)</b>
<b>Strategic Leadership (Independent variable)</b>					
Strategic leadership is highly important for the accomplishment of organisational goals.					
Strategic leadership influences organisational effectiveness in a positive manner.					
Employees working in the public sector of Malaysia have increased their productivity through strategic leadership.					
The public sector of Malaysia is highly influenced by strategic leadership.					
<b>Organisational Effectiveness (Dependent Variable)</b>					
Organisational Effectiveness increases when the productivity of employees is high.					

Organisational effectiveness helps organisation accomplish its goals and boost profitability.					
Organisational effectiveness increases as the leadership of the organisation has strategic approach.					
Organisations operating in the Malaysian Public Sector have higher organisational effectiveness.					
<b>Knowledge Management (Mediating Variable)</b>					
Knowledge management holds high significance in the growth of an organisation.					
Employees working in the public sector of Malaysia have complete access of the knowledge related to their organisations.					
Knowledge management is highly needed for the development and growth of the Malaysian Public sector.					
Knowledge management can make the leadership of an organisation effective in terms of making strategies.					