ETHICAL CONSIDERATIONS IN ENHANCING QUALITY PERFORMANCE: A COMPREHENSIVE REVIEW OF THE ROLE OF EMPLOYEE EMPOWERMENT & INVOLVEMENT, COMMUNICATION, KNOWLEDGE MANAGEMENT AND ORGANISATIONAL CULTURE

Leung Kim Ki Tommy¹, Tan Cheng Ling¹², and Nabsiah Abdul Wahid¹

¹Graduate School of Business, Universiti Sains Malaysia, Malaysia.
²Department of Information Technology & Management, Daffodil, International University, Dhaka, Bangladesh.

ABSTRACT – The aim of this study is to provide a conceptual model that links several key variables including employee empowerment & involvement and communication of organisational factors (OF), knowledge management (KM) and organisational culture (OC) to enhance quality performance (QP) of Hong Kong watchmaking industry. Literature review was conducted extensively, and the approach employed was conceptualized into a proposed conceptual framework. A conceptual framework was suggested in this paper to enhance QP of Hong Kong watchmaking industry through employee empowerment & involvement and communication of OF, a mediator KM and a moderator OC. The literature review was performed extensively to provide four hypotheses including 1) the OF-KM relationship, 2) the KM-QP relationship, 3) the OF-QP relationship through a mediator KM, and 4) the KM-QP relationship through a moderator OC. More opportunities were provided in this study for researchers to expand further the research in QP of Hong Kong watchmaking industry on the basis of the theories from knowledge-based view and Hofstede’s cultural dimensions in the organisations. The study attempted to explore good employee empowerment & involvement and communication together with strategic KM and OC to enhance QP of Hong Kong watchmaking industry. According to this study, the mediator KM and the moderator OC for the OF-QP relationship can be expected to enhance QP of Hong Kong watchmaking industry. KM mediates the OF-QP relationship whereas OC moderates the OF-QP relationship with existence of the mediator KM. In this connection, the study is significant with both theoretical perspective and practical perspective. A research gap is existed to find out a moderating role of OC in the OF-QP relationship if KM mediates the OF-QP relationship.

INTRODUCTION

The watch industry in Switzerland has dominated the global watch market for many years (Donzé, 2018). The Federation of the Swiss Watch Industry (2022) reported that Swiss watches occupy a leading position in luxury and prestige mechanical watchmaking craftsmanship. Swiss watches impress with their quality. The Swiss watch brand’s strategy is adopted to maintain its global success. According to the supply chain, Hong Kong watchmaking industry is involved in the delivery of watch parts and/or products to Switzerland. In fact, Hong Kong watchmaking industry ranks second with reference to the value of export, surpassed by the industry leader Switzerland.

Consumers’ pressure on high watch prices and low costs in mainland China have forced the Hong Kong watchmaking industry to relocate the labour demanding production facilities to mainland China to reduce production costs. Furthermore, attracting younger workers in Hong Kong manufacturing sector is becoming increasingly difficult. As for the most expensive watches, some watchmakers still have manufacturing facilities in Hong Kong. Production costs in mainland China have recently increased, and the status of Hong Kong watches should be further enhanced. Hong Kong watchmaking industry is mainly in the middle segment and focuses on the original equipment manufacturers (OEM) production, although some have expanded into the original design manufacturer (ODM) and even the original brand manufacturer (OBM). OEM customers usually buy Hong Kong watches because of their quality and reasonable price, as well as value-added services including but not limited to after-sales service, which Hong Kong watch companies can always offer.

Hong Kong watches are known as “bang for the buck” with their high quality, creative and elegant designs for the lower to the middle market. New changes in the market environment require quick reactions to rapidly changing needs.
and global competitiveness. A study by Hong Kong Productivity Council (HKPC) on the sustainable business development of Hong Kong watchmaking industry launched several proposals to improve manufacturers’ overall performance, including strengthening QP. One of the proposals is to develop Hong Kong watchmaking industry as the “Geneva of Asia” for supplying the middle to upper-level markets. Hong Kong watch business has highly relied on the OEM and ODM businesses. Hence the company’s core competency is based on good QP (HKPC, 2019). In this regard, Hong Kong watch manufacturers obtained ISO 9000 certification to strengthen its quality management system (QMS) and improve its QP. Quality practices range from the adoption of ISO 9000 international quality standard, quality control circle, statistical process control (SPC), Kaizen, total quality management (TQM), 5S, re-engineering and other quality improvement strategies that have been rapidly developed and implemented in recent years. Many watch companies improve their QP. Regarding these issues, Hong Kong watchmaking industry strengthens QP of watches and watchmaking products via SPC, 5S, TQM, Kaizen, and ISO 9000 etc.

There are many factors within an organisation that affect QP. The impact of management initiatives on QP results indirectly from the improvement of organisational processes. TQM with different components differs from company to company. However, most companies implement TQM with a culture-based quality management approach to improve QP (Bouranta et al., 2017). Desirable goals and human values differ in importance (Ferdowsian, 2016). A culture of quality means sharing motivations, values, and beliefs from shared experiences (Wu, 2015). Most organisations focus on QP managed by QMS and TQM, but OC should also be considered as a key factor influencing QP. Researchers have found positive associations between QP and internal quality practices (Lee et al., 2003; Kaynak, 2003; Goldstein et al., 2012; Jayaram et al., 2013; Parvadavardini et al. 2016). TQM focuses on continuous customer satisfaction or total customer satisfaction. Organizations execute TQM to add a competitive advantage on customer satisfaction, profitability, productivity, and quality. Academics have conducted several research on the TQM-QP relationship (Abdullateef et al., 2013; Wickramasinghe et al., 2014; Parvadavardini et al., 2016; Bouranta et al., 2017). Their literature implied that TQM positively influences QP, but TQM alone cannot create higher QP organisation. The impact of a particular OF on the desired organisational outcomes affects the effectiveness of the organisational processes in delivering QP outcomes. QP is enhanced in conjunction with employee empowerment & involvement and communication of OF (Chaudhry et al., 2016; Rahman et al., 2018). In order to focus on customer satisfaction, the QMS quality policy should be defined to make the organizations more customer focused. Effective and efficient KM makes it easier to meet customer needs and is a better way to identify customer needs and improve QP. OC encompasses all the institutionalized ways, beliefs, norms, and values that govern an organisational behaviour. Through a critical review, this study aims to examine the mediating role of KM in the OF-QP relationship and the moderating role of OC in the KM-QP relationship. Although QP plays an increasingly important metric, few research can be searched to find correlations with QP, OF, KM and OC, it motivates the use of perception of the reality of the object in quality management. Empirical studies examine the OF-QP relationship with existence of the mediator KM and the moderator OC. Although most behavioural theories have been developed, relatively few research has been done to examine the validity of these theories in other cultural studies contexts (Hue 2007). However, it is considered essential as most behavioural theories are rooted in psychology and closely related to cultural values (Bjørnstad et al., 2017; Kubicek et al., 2017).

**LITERATURE REVIEW**

**Quality Performance**

Liu and Xu (2006) pointed out that QP reflects customer service, reliable products, consistency, completeness, compliance with standards, and avoidance of waste. QP also refers to how manufacturers meet specifications (Kristal et al., 2010). Following Juran and Godfrey (1998), QP refers to product features that meet customer needs. Researchers are interested in the relationship between quality outcomes, including financial performance, and internal quality practices (Kaynak, 2003; Goldstein and Lossisfova, 2012; Jayaram et al., 2013). A company’s quality objectives affect QMS, or the quality practices it employs. These quality practices extend to the adoption of ISO 9000 international quality standard, SPC, 5S, TQM, Kaizen, re-engineering, and other quality improvement approaches to improve QP (Lee et al., 2003; Parvadavardini et al., 2016). Quality is conceptually very attractive (Wilkinson and Willmott, 1996) but difficult to state (Garvin, 1991). The QP measurement is widely recognized as an important element (Parthiban et al., 2011; Psomas et al., 2014; Elkanayati et al., 2019; Alkhaldi et al., 2021).

QP influences production and marketing performance (Sousa et al., 2002; Parvadavardini et al., 2016). In manufacturing, improving QP leads to increased effectiveness, efficiency, reliability, and flexibility, as well as decreased scrap, rework, and waste (Kaynak, 2003; Zu et al., 2008). The suitability of products and services is an effective and important aspect of measuring quality (Wu, 2015). In order to facilitate customer needs assessment, we may identify customer requirements to improve the quality of our products and services. (Zu et al., 2008; Adem et al., 2020).

Parvadavardini et al. (2016) stated that QP of an organisation consists mainly of customer satisfaction, percentage of item defective and quality cost. It comprised cycle time, customer complaint, defect rate, delivery time, rework, productivity, annual inventory turnover and capacity utilisation.
Organisational Factors

Hamilton and Chervany (1981) supported to examine the effect of QP. They thought that the management initiatives impacting QP indirectly via the organizational improvement processes. Thus, the effectiveness of organizational processes influences the impact of specific OF on the desired outcomes (Hamilton and Chervany, 1981).

Employee Empowerment

Employees are given little authority and responsibility for making decisions in the past. In order to improve the product quality, procedure, and service etc., they are welcome to participate and contribute to the management. Employee empowerment implies information sharing process, problem-solving power, and decision-making with employees to achieve quality improvement. Participatory empowerment and self-management are two basic strategies for helping management (Dimitriades, 2000). With participatory empowerment, the management eventually decides if employee advice is valuable to a company. It is to facilitate to develop and implement schemes for receiving employee advice and setting up of quality control circles. Accountability, responsibility, and authority are given to the employees in order to recommend quality improvement solutions as well as implement confirmed decision. The self-managed teams are their well-known application (Dimitriades, 2000). The effectiveness of QP influences the employee empowerment of OF on desired organisational outcomes (Mellat-Parast, 2013; Ballangrud et al., 2019; Adem et al., 2020).

Employee Involvement

Employee involvement is an academic exploration and a broad study. It is conceived as a process of fostering a sense of mental belonging within members of an organization via employee taking part in handling information, making decision, and/or solving the problem. Employee involvement can take many forms, such as through ongoing programs that provide employees with a formal role in decision-making about workplace matters. These programs can include consultations such as quality control circles and employee advice groups, where management seeks employee input and feedback. Additionally, workers can elect members to staff councils or boards of directors to represent their interests, including benefits and profit sharing. Lawler (1995) emphasizes the importance of employee involvement in promoting a positive work environment and improving organizational outcomes. Employee empowerment and involvement means improving QP and sharing information in management, making decisions, and solving problems with employees to improve quality and promote psychological ownership among members of an organisation. It is understood as a process of developing sensitivity. (Mellat-Parast, 2013). Employee involvement of OF to the desired outcomes is affected by the process effectiveness of organisations, particularly QP (Mellat-Parast, 2013; Ballangrud et al., 2019; Adem et al., 2020).

Communication

It is well known that communication influences crucial decisions for the best teams (DeWine, 2000). Communicators view leadership roles as important than executives and are overwhelmed by a lack of recognition from upper management, job details and performance metrics that often lead to complaints (Tench et al., 2017). Communicators rarely document how departments contribute to the organisation via strategic thinking and alignment (Brøn, 2014; Zerfass et al., 2018). Scholars focus on making decision and solving problem in management teams, but communication is treated as a variable by which these teams are formed (Gibbs et al., 2008).

Communication is the process of creating the social world, not just passing information (Pearce, 2007). When it is integrated into process management, a culture of open two-way communication leads to the propagation of relevant benefits. These benefits include improved employee attitudes towards organisational life, increased employee accountability, teamwork, motivation, and training. (Chang, 2006). It is important in quality management, and it is one of the management issues of quality management between manufacturing industry and service industry, and its role is evaluated through empirical research. Communication of OF on desired organisational results influences the effectiveness of organisational processes, especially QP (Mellat-Parast, 2013; Ballangrud et al., 2019; Lee, 2021; Koo et al., 2022).

Knowledge Management

KM is recognized as an important way to improve the performance and effectiveness of the organisations (Zack et al., 2009). In addition, due to factors of increasing globalization, accelerated change or necessity of best practices sharing, the importance of KM increases significantly (Zack, 1999a; Mehta, 2008). Referring to the knowledge-based view (KBV) perspective (Kogut and Zander, 1992; Grant, 1996; Spender and Grant, 1996), knowledge is critical to an organisation's long-term survival and success. Complexity of knowledge including functions and subroutines, can be rare and imitated. Therefore, the processes and practices that an organization uses to manage knowledge are those that help it achieve its strategic goals by leveraging intricacy and doing best funds and abilities (Zack, 1999a). Managers should inspire their staff to transfer knowledge voluntarily for supporting creation of knowledge and its application. In this connection, it needs to develop leadership and coaching roles (Roth, 2003; Yang, 2007). Enabler refers to a factor that aims to develop an internal environment for people to support the KM initiative. Because it increases interaction between members of an organisation, allowing for more exchange of ideas, more experimentation, and a greater willingness to systematize, communicate, and apply knowledge for innovations (DeTienne et al., 2004). KM aims to create, transform, disseminate, and use knowledge for implementing the principles (Palacios et al., 2009). KM as a targeted organisational implementation of knowledge practice supported by strategic enablers. KM consists of knowledge acquisition (KA) and knowledge dissemination (KD). Like KD, KA occurs at the level of customer and organisation. Lee and Yang (2000)
viewed KA as a starting point of the KM process. The KM process involves tracking and analysis of all available data and distinct knowledge (Yee, 2019; Ham, 2022; Manik, 2022). KM is recognized as an important means of improving QP. Due to factors of increasing globalization, accelerated change or necessity of best practices sharing, the importance of KM increases significantly. KM helps organisations better understand and comprehend their own experiences. An effective KM process consists of KA and KD, which are important for introducing new technologies (Chong et al., 2013).

Organisational Culture

Culture includes plans, rules, and instructions (Geertz, 1973) or patterns of thought, emotion, and reaction used to direct behaviour (Kluckhohn, 1954, 1962). Culture encompasses past functions, beliefs sharing, frames of mind, rules, roles, and values found from speakers of different languages living in a particular geographic region during the same history (Triandis, 1994). Values are enduring beliefs of a particular type to guide people’s living (Rokeach, 1973). Shared beliefs are supportable and preferable (Neal et al., 2006). A broader tendency of individuals to prefer certain situations over the others (Hofstede, 1980). A belief is a representation of the information a person has about objects. Schwartz (1994) describes human values as goals of varying importance that guide people’s living, as defined by Rokeach (1973). Many values differ between cultures and several taxonomies have been developed (Hofstede, 1980; Rokeach, 1973; Schwartz, 1994). Culture is part of organizational studies. Although there are various definitions of OC, there is concurrence in literatures that OC mirrors and are formed by organizational members’ values, viewpoints, and expectancies (Goffee and Jones, 1996; Lahiry, 1994; Schein, 2004). The underlying assumptions of unconsciousness within an organisation is approached as a model (Schein, 2004) and observed through shared behaviours and artefacts (Rousseau, 1988). OC affects both the organisational level and the employee level. It has been described in many ways as an essential force in an organization being successful or failed (Goffee and Jones, 1996).

Hofstede’s taxonomy is based on his works. He derived four factors from his study that become the taxonomy’s dimensions. Hofstede (1991, 2001) added 5th dimensional indicator in culture on the basis of Confucianism. This is a long list versus a short list of work ethical and social culture factors involved in a large-scale job. Finally, research by Hofstede and Minkov (2010) produced 6th dimensional index in culture entitled indulgence versus restraint index. The 6th dimension of the model is indulgence versus restraint (Hofstede, 2010). Indulgent societies are tolerant and free to meet human needs, while restrictive societies have more restrictive norms, regulations, and controls. It inhibits the gratification of desire (Hofstede, 2010). Different dimensions can affect processing knowledge in an organisation. For example, individualistic culture values individual achievement, while collectivistic cultures value collective achievement more. One possible implication is that knowledge sharing may be more difficult in individualistic cultures. In fact, knowledge is a source of power and is often viewed as a tool for personal success. Conversely, in a collective culture, knowledge sharing can be facilitated if it is interpreted as beneficial to the group. Individuals act to maintain group harmony. Similarly, even in higher masculine (i.e. competitive) cultures, knowledge sharing can be more difficult when competition is between individuals within an organisations (Kumar, 2018; Jajja, 2019; Argiohe, 2021; Adeshola, 2022).

Zeqiri & Alija (2016) built on the works of Hofstede (1998) and examine the cultural role in organisations as a behavioural enabler. They followed the six dimensions suggested by Hofstede (1998). More consultants begin touting the importance of leaders developing their own organisational culture.

UNDERLYING THEORIES AND PROPOSED FRAMEWORK

Knowledge-based View Theory

Complementing knowledge means addressing and applying the results of knowledge. Or it combines knowledge with others to create new knowledge (Grant, 1996; Okhuysen et al., 2002). In the knowledge fusion process, team members share and combine their personal knowledge within the team to create new knowledge. Knowledge is the result of combining these processes. General and synthetic knowledge about people arise from their interaction (Okhuysen et al., 2002). A resource-based view (RBV) of an organisation conceptualises an organisation as a set of resources that are seen as the foundation of an organisation’s competitiveness. Based on RBV, KBV views knowledge as a single resource (Kogut et al., 1992) and the organisation as a dynamic and semi-automatic system for producing knowledge use (Spender, 1996). The key to developing KBV is to emphasise that knowledge is the most important asset and knowledge-based resource. Various KM processes and tools can be used to integrate knowledge. Successful integration of knowledge requires that the people involved share domain knowledge (Nelson et al., 1996; Reich et al., 1996; Reich et al., 2000), ordinary knowledge (Grant, 1996), or reciprocated knowledge (Cramton, 2001).

Shared knowledge enables recipients to acquire the knowledge they need to acquire new knowledge (Cohen et al., 1990) and helps identify gaps that the science of compatibility does not have it in common (Grant, 1996). Managers’ knowledge helps them to use the knowledge of others (Bassellier et al., 2001). The similarities between the KBV cluster and the KBV organisation are immediately apparent. Knowledge integration is an important aspect of the KBV theory. In fact, the normative framework of KBV is believed to be the primary conceptual organisations and their unique ability to create different streams of knowledge, working with existing knowledge and creating new knowledge (Grant, 1996). Referring to the KBV theory of firms, Grant (1996) claimed that the main core of the theory is the role of organization, organizational capacity, and the essence of knowledge integration. The necessity of knowledge integration arises from
specialization and limited rationality. Most of them start ignoring other domains (Kogut et al., 1992). Coupled with the dependency on multiple specialized forms of most tasks and organisational innovations are also knowledge (Grant, 1996; Spender, 1996). The perspective of KBV has made academics and practitioners in many organisations aware of the importance of knowledge. It is about bringing together distributed knowledge and the need to circulate knowledge properly in order that individual knowledge can be converted into collective knowledge and vice versa. This approach leads to a newly discovered field of research to identify KM (Roy, 2019; Sahibzada, 2020; Chen, 2021).

**Hofstede’s Cultural Dimensions Theory**

OC is described as part of the organisational environment. Culture is the set of ideas that distinguish members of one group of people from members of another (Hofstede, 1980). Team planning is based on values that is representatives of cultures around the world having the same taste (Hofstede, 1980). Hofstede (2001) describes culture as a set of mental programs that separate one group or class of people from members of another group or class. Previous studies have used multiple frameworks to analyse cultural factors (Hofstede, 2011). Hofstede’s attitude speaks for his clarity and frugality when it comes to culture. Hofstede compares and contrasts with other forms of culture as well as the degree of similarity between them. This theory preserves the properties of Hofstede’s dimension and optimizes its use (Hofstede 2006, 2010).

Hofstede (1998) surveyed 20 organisational units in 10 different companies. Hofstede (1998), after extensive interviewed and a detailed survey of 1295 workers, suggested that oversizing can be explained in six dimensions. 1st dimension is named “process-oriented versus results-oriented”. Employees (process-oriented) are risk-averse and view their work life the same, as well as put little effort into their work. In contrast, employees (result-oriented) are fully involved in the work and enjoy every day as a new challenge even in the unknown. 2nd dimension is named “job-oriented versus employee-oriented”. Features like benefits and considering the thoughts of others are important in an employee-oriented organisation, but in a job-oriented, success is hindered even when benefits have to be offering. Regarding 3rd dimension, “professional versus parochial”, employees recognize that their behaviour at work and in their leisure is determined by the organisational norms of their ecclesiastical culture. Social and family background are considered to be as important as professional skills when recruiting talent. Professionally, hiring decisions are based solely on job performance. 4th dimension is named “open systems versus closed systems”. With open culture, organisations and their staff are unbarred to foreigners and strangers, allowing most to integrate. 5th dimension is named “tight versus loose control”. In a relaxed culture, meeting without limits and staff are allowed to joke about the company and costs are not considered. Employees in tightly controlled departments think their department that is cost conscious, adheres to strict meeting schedules, etc. The last dimension is called “pragmatic versus normative”. A prescriptive culture is one that emphasises organisational procedures, high standards of business ethics, and integrity. Practical units emphasise meeting customer needs and outcomes through a pragmatic approach to business procedures and ethics (Murphy, 2020; Tetteh, 2021; Adeshola, 2022; Seno, 2022; Sun, 2022).

**Proposed Conceptual Framework**

The literature review related to the conceptual model is a solid foundation for conceptual framework development. A review of the literatures identifies variables such as OF, KM and OC to determine QP for Hong Kong watchmaking industry, as determined in previous findings. This, along with connections that is conceptualised, formed the conceptual framework. The conceptual framework describes the extent of relationships between variables, explains the theory behind those relationships, and explains the extent of relationships. The conceptual framework also provides a logical basis for developing testable hypotheses.

This study attempts to conceive a QP model for Hong Kong watchmaking industry that OF, KM and OC can influence. KM is suggested for connecting OF and QP of Hong Kong watchmaking industry and OC is suggested for connecting KM and QP of it. To study and discuss the properties and the purpose of this study is to better understand the relationship between the variables that are shown in Figure 1.

![Figure 1. Proposed Conceptual Framework](image-url)
Hypotheses Development - The Relationship between OF and KM

Liew (2008) emphasises that introducing KM into an organisation is a strategic matter and requires proper strategic planning. Employee empowerment and involvement involves the transmission of information processing, making decisions, and solving problems in quality improvement and the development of psychological ownership among members of the organisation conceived as a process. Employee empowerment and involvement of OF should increase the effectiveness of KM by providing individuals and groups within the organisation with the knowledge they need to perform tasks (Mellat-Parast, 2013; Ballangrud et al., 2019; Adem et al., 2020). Communication is necessary to get tasks done effectively and efficiently. When it is integrated into process management, two-way communication has tremendous benefits. These benefits include improved employee attitudes towards organisational life, increased employee accountability, teamwork, and motivation. Communication is necessary to complete tasks effectively and efficiently (Ballangrud et al., 2019; Lee, 2021; Koo et al., 2022). Knowledge-based employee empowerment, involvement and communication can improve KM in an organisation by providing individuals and groups with the knowledge they need to perform tasks (Yee, 2019; Ham, 2022; Manik, 2022). The following hypotheses are proposed on the basis of the reviewed literature, regarding the relationship between OF (Employee Empowerment, Employee Involvement, Communication) and KM.

H1(a-c): OF (Employee Empowerment, Employee Involvement, Communication) has a positive and significant relationship with KM

Hypotheses Development - The Relationship between KM and QP

KM consists of KA and KD. Like KD, KA occurs at the level of customer and organisation. Furthermore, KA understands the process an organisation follows to determine what the customer expects from the product and can be formalised as follows: products to improve product quality based on customer feedback. This strong bond with our customers helps us develop designs and allows us to determine what specifications and tolerances are important from the customer’s perspective. KA as a start of KM process is an organisation’s responsibility to stay close to its customers, track and log their needs, and desires, as well as produce products and services to meet their expectations (Lee et al., 2000). The internal KD is also important. Using significant tacit knowledge to create a cause fosters deep emotion and personal engagement among design members. Employee involvement in resource development projects can improve QP (Elkanayati et al., 2019; Adem et al., 2020; Alkhaldi et al., 2021). Lee and Yang (2000) advised that a best way and best practice to distribute knowledge via organizational participation. In other words, it creates an environment for knowledge sharing. By maintaining a close relationship with customers through the KM process, companies can achieve higher QP and meet future customer quality requirements (Yee, 2019; Ham, 2022; Manik, 2022). With the above literature support, the following hypotheses regarding the relationship between KM and QP are proposed.

H2: KM positively and significantly affects QP (cycle time, customer complaint, defect rate, delivery time, rework, productivity, annual inventory turnover and capacity utilisation)

Hypotheses Development - The Relationship between OF and QP through KM as Mediator

OF with the mediating role of KM enables companies to maintain excellent QP and meet future customer quality requirements (Elkanayati et al., 2019; Adem et al., 2020; Alkhaldi et al., 2021). OF ensures quality processes that has a kind of information needed to make good decisions for the expectations and needs from customers. Those formal quality processes are comparatively widespread and commonly found in ISO 9000 certified companies. KM is recognized as an important tool for improving OF and enhancing QP (Zack et al., 2009; Mellat-Parast, 2013; Ballangrud et al., 2019; Adem et al., 2020; Lee, 2021; Koo et al., 2022). Furthermore, the rapid development of technology in globalization or the need to share best practices has greatly increased the importance of KM in the organizations (Zack, 1999a; Mehta, 2008; Yee, 2019; Ham, 2022; Manik, 2022). The insights cover the way from the above literatures for hypotheses regarding the relationship between OF and QP via the mediator KM and are proposed as follows:

H3(a-c): KM will mediate the relationship between OF (Employee Empowerment, Employee Involvement, Communication) and QP (cycle time, customer complaint, defect rate, delivery time, rework, productivity, annual inventory turnover and capacity utilisation) that is significant and positive.

Hypotheses Development - The Relationship between KM and QP through OC as Moderator

The development of OC through active knowledge transfer leads to a good QP. KM learns a lot from the theory that deals with OC because knowledge is human by nature. A particular focus is on the theories of knowledge storage and knowledge transfer, especially OC. Knowledge manipulation is an inherently human process and cannot be separated from culturally informed interpretation and reflection (Yee, 2019; Ham, 2022; Manik, 2022). Bollinger and Smith (2001) proposed that the human behaviour is critical to be successful in KM activities due to its focus on OC (Kumar, 2018; Jaja, 2019; Arghode, 2021; Adeshola, 2022). Individual needs are sacrificed in favour of the needs of the group. This helps develop a group-oriented mind-set that emphasises harmony rather than group interests, teamwork, and conflict, and is instrumental in maintaining harmony in relationships (Bond et al., 2013). KM coordinating roles of OC enables companies to improve QP and meets future customer quality requirements (Zack et al., 2009; Mellat-Parast, 2013; Ballangrud et al., 2019; Adem et al., 2020; Lee, 2021; Koo et al., 2022). The results from the above literature pave the
way for formulating hypotheses regarding the relationship between KM and QP via OC as moderator and are proposed as follows:

**H4(a-f):** OC (Process-oriented vs Results-oriented, Job-oriented vs Employee-oriented, Professional vs Parochial, Open Systems vs Closed Systems, Tight vs Loose Control, Pragmatic vs Normative) will moderate the relationship between KM and QP (cycle time, customer complaint, defect rate, delivery time, rework, productivity, annual inventory turnover and capacity utilisation) that is significant and positive.

**METHODOLOGY**

This is an empirical study. On the basis of using data collected in natural situations, it is not on laboratory or simulation studies. Researchers have no control over what happens at the Hong Kong watch companies they study, as all the data comes from the natural environment. In addition, this research is quantitative research to develop the components of the questionnaire to test the hypothesis. Here quantitative studies are used to measure OF, KM, OC and QP. However, more in-depth measurement and analysis tools can be developed by collecting more specific data about organisational practices and their QP and applying multivariate statistical techniques. Quantitative research methods are used to test hypotheses and develop models. Statistical methodology is applied to the construction and testing of theories.

Regarding the questionnaire, the respondents are asked on a 5-point Likert scale ranging from (1) strongly disagree/ very low to (5) strongly agree/ very high, whether they agree or disagree with the statements for each item. Not all questions are positively presented. The survey also contains negative questions. At one end of the scale, the respondent’s tendency to automatically reduce cycle points. The authors provide an example of a set of eight questions to the variable QP, which has the same scale as above (i.e., 5-point Likert scale), where (1) means “very low” and (5) means “very high”. Because positive and negative questions are scattered throughout the survey, respondents who most are interested in the questions are more likely to be interested and pay more attention when they are answered. For example, if a respondent circle (5) on an affirmative question they do so, QP of a company should be focused on. There is no need to surround the number (5) with negative questions. A customer is dissatisfied and, in such case, QP of a company can be questioned. Respondents no longer have to pay for trends. At one end of the scale, it responds instantly wherever they go. However, the authors have to substantiate this study (Appendix 1).

**FINDINGS AND DISCUSSION**

This paper proposes a conceptual framework to understand QP of Hong Kong watchmaking industry through employee empowerment & involvement and communication of OF, KM and OC. The extensive literature review was performed to develop four hypotheses which include 1) the OF–KM relationship, 2) the KM–QP relationship, 3) the OF–QP relationship through a mediator KM, and 4) the KM–QP relationship through a moderator OC.

Demsetz (1991) emphasized the nature of management as an integrative knowledge organization. According to the literature and empirical studies, KM and OC have become important in correcting QP because of their increasing resource importance and increasing recognition. Employee empowerment & involvement and communication of OF influence QP’s desired organisational outcomes, so organizational processes, especially QP involving the whole team, have many reasons to choose these factors (Nasim, 2018). It has been shown or found in studies of QP (Yim et al., 2004; Sharif et al., 2014). Organisations tend to improve their critical OC over time as they adapt and deal with environmental disruptions and changes. In addition, conflicting goals between the criteria are to be expected (Yu & Wu, 2009). Academics have spent much time and effort investigating how OC improves QP in tissues (Hofstede, 2005; Kubicek et al., 2017; Ferdousi et al., 2019). It is difficult to establish KM alone within an organisation, so the focus should be on OC. From this perspective, QP will be positively influenced when knowledge-based employee empowerment & involvement and communication of OF through OC as a moderator are introduced that this interaction will be reciprocated with some benefits in the future.

To further enhance the relationship between employee empowerment & involvement and communication of OF and QP of Hong Kong watchmaking industry, KBV of the organisations and Hofstede’s cultural dimensions theory explicitly focus over the knowledge on managerial and strategic aspects in the organisations. Employee empowerment & involvement and communication of OF through the mediator KM and the moderator OC will be adopted and adapted to develop the constructs for the survey to test the hypotheses of the QP–OF–KM–OC relationships.

The practical perspective attempts to assist the Hong Kong watch companies to identify the knowledge-based employee empowerment & involvement and communication that require the effect of Hofstede’s cultural dimensions to provide the companies with solutions and strategies for further improvement on QP leading to higher customer satisfaction and market share. This is a first attempt to employ such technique in the watchmaking industry in Hong Kong. It is expected that the research enables more similar studies in the future.
CONCLUSION

Hong Kong watchmaking industry can enhance its QP to become a leading exporter of watches and clocks in the world. The effect of OF on desired outcomes will influence the organizational performance to cause the outcome of QP. To enhance QP of Hong Kong watchmaking industry, both the mediating role of KM and the moderating role of OC are important. QP is enhanced in the association of employee empowerment & involvement and communication of OF through the mediator KM and the moderator OC. The organizations that focus on QP governed by QMS and KM and OC are considered crucial factors to influence QP (Chaudhry et al., 2016; Rahman et al., 2018).

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REFERENCES


**CONFLICT OF INTEREST**

The author(s), as noted, certify that they have NO affiliations with or involvement in any organisation or agency with any financial interest (such as honoraria; educational grants; participation in speakers’ bureaus; membership, jobs, consultancies, stock ownership, or other equity interest; and expert testimony or patent-licensing arrangements), or non-financial interest (such as personal or professional relationships, affiliations, expertise or beliefs) in the subject matter or materials addressed in this manuscript.
AUTHORS' BIOGRAPHY

Author’s Full Name: Leung Kim Ki Tommy
Author’s Email: tommyzoe@gmail.com
Author Professional Bio: Tommy Leung is currently pursuing PhD in the Graduate School of Business (GSB) at the Universiti Sains Malaysia (USM). He received his MBA, MSc (Eng) and BEng (Hons) Degrees from the University of Leicester, the University of Hong Kong, the University of Brighton respectively. His research interests include organisational behaviour, knowledge management, organizational culture, and quality management etc.

Author’s Full Name: Associate Professor Dr Tan Cheng Ling
Author’s Email: tanchengling@usm.my
Author Professional Bio: Dr Cheng Ling, Tan, is an Associate Professor of Innovation and Operations Management in the Graduate School of Business (GSB) at the Universiti Sains Malaysia (USM). She provides lectures on operations strategies and supervises MBA, DBA, and PhD students in the field of knowledge management, innovations, operations management, and supply chain management. She has currently been appointed as Visiting Professor with the Department of Information Technology & Management (ITM) at Daffodil International University, from November 2021 to October 2023. Her research has been cited in many international journals, and she has served as a peer reviewer for numerous publications. Previously, she was a global supply chain quality consultant, and a quality department manager, for more than 10 years with two multinational companies.

Author’s Full Name: Professor Dr Nabsiah Abdul Wahid
Author’s Email: nabsiah@usm.my
Author Professional Bio: Professor Dr Nabsiah Abdul Wahid is attached to the Graduate School of Business (GSB), Universiti Sains Malaysia (USM) and has been teaching more than 20 years. She graduated with a Bachelor of Management (Hon.) (Marketing) from Universiti Sains Malaysia, Pulau Pinang, a Master of Commerce (Marketing), and a PhD from the University of New South Wales (UNSW), Sydney Australia. Many of her research works and publications are related to how consumers behave in the marketplace within marketing-social science topics. She is also actively involved community outreach programs particularly those that relate on environmental and sustainable water management issues, promoting both ethical consumption behavior and creation of environment stewards amongst the public.
### APPENDIX 1

<table>
<thead>
<tr>
<th>Constructs and measurement items (indicators)</th>
<th>Adopted from</th>
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<tbody>
<tr>
<td>(1) Organisational Factors - Employee Empowerment</td>
<td>Mellat-Parast (2013)</td>
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<tr>
<td>(2) Organisational Factors - Employee Involvement</td>
<td>Mellat-Parast (2013)</td>
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<tr>
<td>(3) Organisational Factors - Communication</td>
<td>Ballangrud et al. (2019)</td>
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<td>(4) Knowledge Management</td>
<td>Chong et al. (2013)</td>
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<td>(6) Quality Performance</td>
<td>Parvadavardini et al. (2016)</td>
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