

The Role of Organizational Culture in Knowledge Management

Niloufar Seyedyousefi¹

Seyed Mohammad Hosseini Fard²

Fateme Tohidi³

¹B.Sc., Department of Accounting and Economics, Central Branch, Islamic Azad University, Tehran, Iran; ²M.A., Department of English Language, Marvdasht Branch, Islamic Azad University, Marvdasht, Iran.; ³M.Sc., Department of Accounting Yazd Branch, Islamic Azad University, Yazd, Iran

Doi:10.5901/mjss.2016.v7n5p412

Abstract

The rise of knowledge, innovation and new technologies in creating strategic advantages and value the importance of knowledge in the management of organizations, have led to put the concept of knowledge management, in heart of the strategic policies of organizations. Performing effective knowledge management requires paying attention to basics or key factors which have catalyst role and make it powerful and easy. One of these key factors is organizational culture. Paying attention to organizational culture to improve the knowledge management is a subject that has recently attracted many researchers. The purpose of the present study was to investigate theoretical concepts related to the role of organizational culture and make them practical in organizations and companies. In doing so, articles, internet and library resources were consulted. The result showed that organizational culture as an underlying factor has strengthening and weakening role in knowledge management. The organization should make sure about alignment of organizational culture in knowledge management. Naturally, organizations must establish a proper culture for knowledge management implementation. Some of these cultures are knowledge-oriented organizational culture, flexibility, support, cooperation, trust, learning, power and reliability.

Keywords: Knowledge Management, Organizational Culture, Human Factors, Culture

1. Introduction

In our complicated world, organizational knowledge is quickly becoming a key competitive advantage in organizations. Supporting and paying attention to knowledge management, create a favorable condition for any organization. It helps not only to survive in complex competitive environment, but also defeat others and lead various fields of activity. Organizational knowledge, in our fast-changing world, is a good opportunity for those who knows and manage it. However, it is a serious threat to organizations that pay no or little attention to environmental changes and those that do not know it at all.

Despite the high volume of information and knowledge in organizations, as well as the use of new information and communication technologies, sufficient information is not available for applicants. Knowledge management is one of the proper solutions for business profitability and efficiency in organizations (Seyedzade, 2010). Many organizations have invested in development of knowledge at different levels and have been successful, but many have failed. Due to Lack of appropriate mechanisms to assess and establish knowledge management, these types of investment have become an additional cost in managers' s minds. Therefore, organizations need to create an environment for sharing, transferring and interacting knowledge among their members and teach them the concept of the meaningful interactions. Moreover, they must try to create and identify the underlying factors for implementation of knowledge management (Tabarsa & Ormazdi, 2008). One of these underlying factors is organizational culture. Organizational culture is based on values, beliefs, assumptions, legends, values and goals which widely accepted within the organizations. Organizational culture is a system of shared assumptions which separate organizations from each other. This system consists of a set of main features that organizes and respects their values (Robins, 2005).

Given the importance of organizational culture in management systems, the role of culture in knowledge management implementation is discussed in this study.

2. Review of Literature

2.1 Knowledge Management

People are constantly in search of knowledge, because they expect to leads them to success in their works. Knowledge plays an important strategic role. Therefore, many companies due to its competitive advantages and its power and influence leverage have effectively employed knowledge management (Wu & Lee, 2007).

Knowledge is the most popular drug of uncertainties and unknowns. When we are facing with a certain problem, we are looking to find an experienced person to help us solve our problem. Knowledge management is a new solution that attempts to change existing procedures in personnel management, procedures and information. In this system, employees become knowledge workers and as talents that gain knowledge, they are the most important assets in the organizations (Larijani & Nouriasl, 2010). Skim (2003) also stated that knowledge management is the systematic and explicit knowledge management which has been linked with the processes of creating, gathering, dissemination and application of knowledge that has an effective role in transforming the individual knowledge into collective knowledge.

Precise advent of knowledge management is not possible and clear. In fact, knowledge management existed from the early days of human life, even in the era of hunting. He gathered and disseminated information and knowledge about life's issues. Gradually, with the increase of human knowledge and experience, without any systematic approach, this knowledge was transmitted from generation to generation. But in historical periods after that, knowledge was managed in order to meet the needs of communities (Seyedzade, 2010).

There are two important things in application of knowledge: sharing knowledge and innovation. Malhotra (2005) argues that knowledge management is doing the right things rather than doing things right and it emphasis on effectiveness rather than efficiency. Knowledge management is a new way of thinking about organization, the sharing of intellectual and innovative resources. Moreover, it is method for productivity, improving performance, reducing costs and improving organizational knowledge to enhance performance through different ways (Goudarzi et al., 2010).

Moreover, Davenport (2008) believed that knowledge management is an effort for finding hidden treasures in people 's mind and transform it to organizational assets, as a wide range of people who are involving in the decision-making in an organization can access and use them. Gandhi (2004) also defined knowledge management as an effort for changing workers knowledge (human assets) to common organizational assets (fundamental intellectual property). According to Schein (2001) knowledge management is a process that allows organizations to apply new knowledge in form of creation, validation, dissemination, and use. Benefits of using knowledge management activities, from technical level to the strategic level, will be effective in culture and the productivity of the entire organization. Some of its advantages and benefits are shown in Table 1:

Advantages of using knowledge management activities (Tabarsa & Ormazdi, 2008)

Improving Competitive Response	Building organizations for response to market change and accelerate the time of products arrival in the market
Reduce Costs and Avoid the Waste of Intellectual Capital	Possession of implicit knowledge will allow the organization to apply that knowledge to maintain a process for future applications and eliminate the cost of retraining staff and experts
Eliminate the Need for Global Action	Geographically dispersed operations, demands specific challenges in the field of cultural and knowledge management. Organizations that have an effective culture of knowledge management can end the spirit of " They and We " and make everything " as " We " and maximize the efficient use of scattered resources
Job Effectiveness	Using knowledge management infrastructure, eliminate the traditional limits , increases sharing of knowledge among employees and as a result, improve effectiveness
Organizational Effectiveness	Tools , methods and best applications of knowledge management- which is associated with the culture of knowledge sharing- shape collaborative environment and increase organizational effectiveness
Determine Strategic Directions	Knowledge Culture improves creativity and innovation, therefore it effects strategic direction

Transfer of knowledge, does not only includes communicating and exchanging of information or makes it accessible to those who need it, but also it includes disseminating and absorbing. Information and capabilities will not effectively transfer unless the receiver understands and use it effectively. Individual knowledge transfer is valuable. Private education and informal learning are a great help for individual learning and organization. On the other hand, implementation of knowledge management requires some organizational factors such as structure, culture (transfer and continuous learning culture), technology, and connected human resources which they have special characteristics (Goudarzi et al., 2010).

3. Discussion

3.1 Organizational Culture

Culture can be considered as an outcome or capital of a stable social unit, in different sizes, which got an opportunity to grow and sustain from itself or its surroundings. These assumptions and beliefs are learned answers that give internal unity to difficulty of survival in the external environment. In this sense, culture is a result of learned experience and only it is seen in a certain group with significant and stable history (Tousi, 1993). Culture is a kind of collective thoughts which distinguishes the members of one human group from another one. Culture for human society plays the same role as character for human (Tousi, 1993). On the other hand, we can say that the organizations also have life for itself that this life is different from life of system components. In organizations, employees agree on a certain pattern of behavior towards each other, that is the organizational culture. Today, as a result of the changes that occur in different areas of the world, the important of organizational culture in success and failures will have increased.

Organizational culture is the main essence of attitudes and beliefs of an organization which reflect in employees and their performance (Jafarinaia, 2004). Common cultural identity of the organization members, beliefs, values and norms of behavior between them leads to integration of efforts, internal commitment to the organization, a clear understanding of the philosophy and direction of its actions, and therefore the success of the organization. In another words, distinguished organizations success, lies in intangible powerful factors which they are hidden in organizational culture, values and beliefs of employees (Zahedi, 2001). That is why, Feraru defined organizational culture as what people normally think and act (as cited in Tseng, 2010).

3.2 The Importance and Necessity of Organizational Culture

Culture is a representative of social cohesion and creates a sense of being us. Organizational culture is a system that creates a common semantic foundation which is the basis of communication and mutual understanding. If these functions do not work satisfactorily, the existing culture may reduce the efficiency of the organization (Armstrong, 2004). According to Smircich (as cited in Tousi, 1993), culture provokes us and gives us the courage to talk about something beyond the technical processes in the organization. Culture allows us to create some sort of spirit along with mystery, in the body of our organization. Organizations, with access to culture and takes benefit from it, can unleash themselves from limitations and provide new solutions. Getting familiar with organizational culture effects is an effective aid in understanding, interpretation, education and organizational change (Alvani, 2009).

3.3 The Role of Culture in knowledge Management Implementation

World 's look at knowledge management infrastructure is technical and social. Infrastructures are important aspects of organizational capabilities. They include technical, structural, cultural and those infrastructures that are related to people (Najafbeigi et al., 2011).

Organizational culture has a twofold role: The strengthening and weakening role in knowledge management (Seydazade, 2010). According to a research carried out by Van Crowe (as cited in Najafbeigi et al., 2011), one of the major obstacles of knowledge management implementation in organizations, is organizational culture. Discussion about cultural change is considered as one of the most important aspects of any knowledge management system. Organizational culture as an underlying factor - related to organizational culture as a social infrastructure- must ensure about alignment of knowledge management implementation and organizational culture. Accordingly, organizations should establish a proper culture for the implementation of knowledge management (Najafbeigi et al., 2011). Also, Gold (2001) stated that the implementation of knowledge management will be effective if organizational cultural enhances it. Such a culture should encourage trust, cooperation and learning among employees. Moreover, He believes that contributive culture is an important infrastructure, because in this culture people interact and share their ideas and knowledge.

Trust is another aspect of organizational culture that without a high degree of mutual trust, people become suspicious of each other's intentions and behavior, and will not share knowledge with each other. Therefore, knowledge management will be facilitated by creating a relationship based on trust between people in the organization. One of the requirements of the knowledge management implementation is fostering a learning culture. Fostering such a culture will constantly involve people in the process of knowledge creation in an organization and also will allow them to search for organization actions and encourage them to learn. Some studies showed that powerful people's culture and influence have an effective role on governmental agencies on the implementation of knowledge management. Because knowledge

is power and access to power, could be important for the implementation of knowledge management (Najafbeigi et al., 2011). Delong and Fahey (2000) also believed that lack of sufficient trust between organization and organizational sub-cultures can face knowledge management that requires full trust between the organizational units with a serious obstacles. Moreover, they believed that organizational culture and improvement of knowledge management depend on cultural improvement and various activities in different areas of knowledge that can be supported. Reconstruction and improvement of organizational culture in supporting knowledge forces in the process of knowledge production, sharing and practicality is in the heart of knowledge management. The severity of this development should be in a way that all people take responsibility towards collection, transfer and production of knowledge (Seyedzade, 2010).

Knowledge-oriented culture and suitable human infrastructure are the most important factors for successful implementation of knowledge management in organizations. Statistics showed that 50% of the problems of knowledge management implementation are related to cultural factors and human resources and only 25% of the problems are related to structural and technological fields.

Daremi (2007) has identified eleven management success factors between 1997 and 2005 that one of them is culture. Akhavan and Jafari (2006) are considered cultural factors as factors which fail knowledge management and with solving them; we can change failure to success. They introduced Knowledge-based culture that value knowledge, encourage creation and sharing (as cited in Mohammadi, 2007). Managers are afraid to share information between themselves and their employees. Because they think they will lose control of the company (Bozburu, 2007).

For a successful knowledge management, the organizations require an environment with a continuous learning culture and it must occur at all levels of the organization. In a learning culture, people seek problems and they will be encouraged to learn. Through learning tools such as implementation learning, they will reinforce knowledge management. By strengthening the learning culture, the capacity of knowledge management implementation will be increased. To build learning capacity in organizations, three concepts is required: learning, innovation change, culture change (Nedlela & Toit, 2001). In the future, those organizations will be sustainable and successful which are ahead from others and are constantly learning. Organizations need supportive relationships, collaboration and creating an atmosphere of intimacy and friendship (corroborative culture) to achieve knowledge management. In such a culture people support and help each other and they will share the required knowledge for doing their organizational activities. Therefore, the application of knowledge and developing new ideas and techniques in the organization become easy. Interest or lack of interest in authoritative culture could affect the implementation of knowledge management in organizations.

Some researchers believe that hierarchy system, political policies and officials influence in sharing knowledge management are effective in governmental sectors (Najafbeigi et al., 2011). Hegedon (1998) stated that those organizational cultures that are famous and heavily rely on rules and standard operating procedures may put knowledge management in difficulty. Moreover, Leonard and Sensiper (1998) criticized many organizations that put too much value on individual expertise and considered it as a cause of fading the teacher-student interactions. They believe that, in such a culture, those activities that are related to the dissemination of knowledge are denounced and procedures of the hoarding of information are encouraged. Ribiere and Sitar (2003) provided a list of factors related to hoarding of knowledge by organization members and in which issues such as knowledge as power, lack of trust in each other, forgetting dissemination of knowledge, fear of the consequences of expressing negative views, need for knowledge of co-workers, escape from work and additional responsibilities, lack of a direct relationship between dissemination of knowledge and organization intention and fears of a decline in the status of their organization were mentioned.

3.4 *Integrative Models of Organizational Culture and Knowledge Management*

Gray & Densten (2004) 's integrative model of organizational culture and knowledge management, is a combination of organizational culture and knowledge management with emphasis on CVF (Competing Values Framework). Competing Values Framework (CVF) has emphasis on leadership of behaviors management. Therefore, development of trust and attachments to an ethnic culture help sharing information. Similarly, in process of socialization in tacit knowledge model, it is necessary to store tacit knowledge. Open systems of cultural competitive framework, with flexibility, innovation, creativity (CVT) of certain values base on development of external communication along with involving external processes, change the tacit knowledge to explicit knowledge. Tacit knowledge model (SECI). Baltazard and Cooke (2004) have examined the impact of culture on knowledge management in their model. Baltazard and Cooke (2004) 's model has introduced a number of different outcomes such as organizational flexibility, clarity and quality of communication in order to prepare organizational learning and knowledge management environments very fast. Jennex and Olfman (2004) in successful models of knowledge management mentioned knowledge culture which advocates sharing, applying knowledge and supporting senior managers in the allocation of resources, leadership and training.

According to Hung (2005), this type of organizational culture and involvement of employees in education -participation in decision making, planning and evaluation, responsibility for exchange and distribution of knowledge- are critical factors in updating the knowledge management. Syed-Ikhsan and Rowland (2004) and consequently Asgari (2005), with finding a meaningful connection between culture exchange and culture of continuous learning, and production and transfer of knowledge -two important components of knowledge management- concluded that exchange culture is effective in knowledge and experience in the organization, training and continuous learning, absorbing, storing, transmission and distribution of knowledge. These cultural characteristics are matched with Daremi (2008) 's indicators in knowledge management success. Investigation of five successful companies which used knowledge management strategies revealed that a key factor for knowledge management success is to design knowledge management actions in a way which is consistent with the current organizational culture and not to try to change the culture of the organization to be consistent with the knowledge management actions (Goudarzi et al., 2010). That is why , organizations which gradually use knowledge management and synchronize it with the organizational culture, are more successful than organizations which try to make widespread and severe changes.

Delong and Fahey (2000) proposed that there are four effective factors in organizational culture for creation of knowledge. First, Culture and subcultures shape assumptions about each type of knowledge and value some sources of information or certain people more than others. Second, culture defines who monitors the knowledge. In another word, Culture defines who is expected to share and not to share the knowledge. Third, organizational culture determines the context of social interaction. In other word, it defines knowledge sharing opportunities. Fourth, Culture determines with what methods people accept or reject the new knowledge.

4. Conclusion

Organizations in order to use the knowledge must create a balance in activities related to knowledge management quickly. Generally, such a balance requires changes in culture, techniques and technologies. Some organizations believe that by focusing only on the people, techniques and technologies, we can manage knowledge. In contrast, some people believe that focusing on these three factors does not help competitive activities of organization. But the interaction between them effectively empowers the organization in management of their knowledge. Cultural factors are the most important factors in successful implementation of knowledge management. The rate of interest, understanding of people and organizations, processe of knowledge management and collaboration in the sharing of knowledge are one of these factors. Organizational culture greatly influence people 's expectations and behavior. Some of them can lead to non-constructive conflict, and prevent the exchange of knowledge management network. On the other hand, knowing strategies that design knowledge management design is essential. Knowledge management is a group activity and all people in all levels of the organization need to be involved. Team Coordination and creating a flexible organizational culture to achieve knowledge management goals in an organization are so effective. Organizations should value group work activities to achieve common goals of their organizations and develop the capabilities and skills of their employees. They must improve their understanding about organizational customer's needs and use high coordination of organizational units in projects. Also, managers must determine strong visions for their organizations and support them to promote their organizational mission -which is one of the important factors in organizational culture - in order to reach success in knowledge management implementation in organizations. The effective implementation of knowledge management depends on quick and trouble-free interaction of individuals within the organization, supporting innovations and ideas of the people and delegation of authority and decision-making power when it is needed. Moreover, these assumptions only exist in a strong organizational culture. So it can be suggested that the true understanding of culture and its components across the different levels of the hierarchy of the company, can be a vital step for the successful implementation of knowledge management. Organization efforts for becoming a knowledge-based organization will be successful if required cultural characteristics for the implementation of knowledge management exist in an organization. Knowledge can be created and shared in an organization if organizational culture supports it. Besides, the organizational culture can be used as a powerful leverage to strengthen organizational behavior. Weak organizational culture prevents people from sharing and disseminating their knowledge in an effort for keeping their personal power base and their performances. Organizational culture must encourage people to understand, offer and also use new ideas to improve organizational aims. This activity requires organizational culture - as a constituent of organization's character which affect employees behavior- to support knowledge activities and encourage people to learn.

References

- Armstrong , Michael(2005), Strategic Human Resource Management, (trans.) Seyed Mahdi Arabi, Davoud Yazdi, Tehran: Cultural Research Center Publication, P. 197.
- Seyedzade, Mir Hossein, (2010), A Study on the Function of Knowledge Management in Universities, Cultural Management Journal, 4th Year, No. 8, pp2-19
- Gholamali Tabarsa and Nooshin Ourmazdi,(2008), Measurement of Factors for Knowledge Management, Management Message Periodicals, No.26, p.40
- Stephan P. Robbins, Organization Theory(Structures, Designs, Applications)(2005), trans. Alvani Seyed Mahdi and Hassan Danaeefard Hassan, Saffar Publication, 9th Edition, p.382
- Larjani, Hassan and Mousa Noorie Asl(2009),Feasibility of Knowledge Management Presentation, Eastern Azarbayjan Province, Knowledge Periodicals, 2nd Year, No.5, p.75
- Goodarzi, Mahmoud, et al.(2009), The Relationship between Organizational Culture and Knowledge Management among Official Managers in Physical Education Organizations, Sport Management Periodicals, No.2,P. 202
- Mohammad Ali Toosi(1993), Organizational Culture, Tehran, Public Management Training Center Publication, p.1
- Jafarina, Shamsollah(2004), A Study on the Relationship between Organizational Culture and Human Resource Productivity , Tehran University M.A. Dissertation, P.11
- Zahedi, Seyed Mohammad(2002), Organizational Culture Change, Tadbir Journal, No.127, p.30
- Alvani, Seyed Mahdi(1999), Organizations Customs: A Way to Culture, Management and Development Journal, No.1, P.36
- Reza Najaf Beygi et al.(2011). Designing a Fundamental Model for Implication of Knowledge Management in Organization, Revolution in Management Research Paper, 3rd Year, No. 5, P 154
- Darmi Hadi(2007), Effective factors in Knowledge Management Achievement in Research Organizations, Dissertation of Tehran University, Management Faculty, P. 28
- Mohammadi Kaveh(2006), Measurement of Organization for Knowledge Management Via designation of a Conceptual Model, Dissertation of Tehran University, Management Faculty, P.46
- Daneshfard karamollah, and Shahabinia Saeed(2010). The Relationship between Organizational Culture and Knowledge Management, Management Periodicals, 7th Year, P.2
- Peeri Zakiye and Asefzade Saeed(2006). How can Knowledge Management b applied? Ghazvin University of Medical sciences, 10th Year, No. 1, p.127
- Keshavarzi, Hossein and Ramazani Yousof(2010), The Relationship between Knowledge Management Procedure and Organizational Culture Indexes in Robbins View Point, Public Management Perspective Periodical, pp.25-46
- Golchinpour Mona(2010), Failure Reasons in Knowledge Management in Organizations, Specialized Journal of Growth and Development Parks and centers, No. 11, P.40
- Haghighat Monfared Jalal and Iler Hoshyar(2010), The Relationship between Organizational Culture and Knowledge management, 4th Year, No. 11, P. 83
- Asgari Naser(2005). A study on the Relationship between Organizational factors(Structure, Culture and Technology), Ministry of Labour and Social Affairs with Management Knowledge Management, Dissertation of Tehran University, Management Faculty.
- Wu. W.W. and Lee, Y (2007) , Selecting knowledge management strategies by suing analytic network process . Expert system with applications. www.sciencedirect.com. Vol. 32. No. 2. P: 841.
- Susana Perez L. et al. (2004), Managing knowledge : the link between culture and organizational learning". Journal of knowledge management Vol 8,No. 6. PP: 96
- Nedlela, L.T. & Toit, A.S.A. (2001), Establishing a Knowledge Management Program for Competitive Advantage in an Enterprise, Journal of Information Management, 21, P:157
- Daneshfard, K. (2004), Building Capacity for Organizational Learning", Tehran, Journal Management, 14, 38 (in Persian).
- Hung. C.Y. et al. (2005). "Critical Factors in Adopting a Knowledge Management System for the Pharmaceutical Industry". Industrial Management and Data Systems. Vol. 105, No. 4, PP:164-18
- Gandhi, S. (2004). Knowledge Management & Reference Services, The Journal of Academic Librarianship, Vol. 30, No. 5, p: 45.
- Schein. E.H, (2001). Three Cultures of Management: the Key to Organizational Learning in the 21st Century. <http://www.learning.mit.edu/ves/wp/10011.html>.
- Davenport, Tom (2008). "Enterprise 2.0: The New, New Knowledge Management?". Harvard Business Online, Feb. 19, 2008.
- Tseng, S.M. (2010), "The Correlation between Organizational Culture and Knowledge Conversion on Corporate Performance", Journal of Knowledge Management, Vol. 14, No. 2, pp. 269-284.
- Tseng, S.M. And et al (2011), "The Effects of Hierarchical Culture on Knowledge Management Processes", Management Research Review, Vol. 34, No. 5, PP. 595-608.
- Bozbura F.T. (2007). "Knowledge Management Practices in Turkish SME" Journal of Interprise Information Management Vol. 20, No.2, PP:209-221.
- Hargadon, A. B. (1998). Firms as Knowledge Brokers: Lessons in Pursuing Continuous Innovation. California Management Review, 40 (3).
- Leonard, D. & Sensiper, S. (1998). The role of Tacit knowledge in Group Innovation. California Management Review, 40 (3).
- Leonard, D. & Sensiper, S. (1998). The Role of Tracit Knowledge in Group Innovation. California Management Review, 40 (3).

- Ribiere, V. & Sitar, A. S. (2003). *Critical Role of Leadership in Nurturing a Knowledge Management Research and Practice*. New York: Palgrave McMillan.
- Densten Iain L, Gray Judy H. (2004), "Towards an Integrative Model of Organizational Culture and Knowledge "Newzealand Knowledge Management: Barriers and Drivers of Knowledge Management Uptake" *Journal of Knowledge Management*. Vol 8 , No 5. pp 23-54
- Balthazard Pierre A, Cooke Robert A. (2004). "Organizational Culture and Knowledge Management Success: Assessing the Behavior-Performance Continuum", *Proceedings of the 37th Hawaii International Conference on System Sciences*.
- Jennex, M.E. Olfman, L. (2004). "Assessing knowledge management success. Effectiveness models" *proceeding of the 37th. How a international Conference of system sciences*.
- Syed-Ikhsan, S.O.S. Rowland, F. (2004). "Knowledge management in a public organization: a study on the relationship between organizational elements and the performance of knowledge transfer". *Journal: Journal of Knowledge Management*. Vol. 8, No. 2, PP: 95-111.