

The role of organizational culture in knowledge management

[Business](#), [Management](#)



Role of Organizational Culture in Knowledge Management The Literature review below studies the existing body of research available which analyzes the impact of organizational culture in knowledge management. The section starts from basic definitions of knowledge management and organizational culture and then proceeds towards the review of literature which connects the two elements together. Most of the study conducted indicates that although a tested and friendly organizational culture can enhance the knowledge management practices within an organization; it has been very difficult for organizations to strike the ideal balance between the ideal organizational cultures which maximizes the benefits of knowledge management. The research further indicates that a collaborative culture in the organization can tangibly stimulate knowledge as it impacts the conception of knowledge by aggregating knowledge exchange by the fellows of a business. The organizational culture of collaboration greatly supports this exchange of knowledge by snowballing openness and decline of anxiety amongst organizational workforces. Another aspect of organizational culture which has been scrutinized by a body of researchers for its impact on knowledge management activities within an organization is the aspect of learning and openness within the company. Studies conducted by various researchers have indicated that an open learning environment within an organizational is a fairly good indicator of the effectiveness of workforce learning and training and is considered a knowledge creation catalyst by most researchers. In the end the literature review is summarized and the section is concluded with a succinct analysis of the various views researchers on the impact of organizational culture in knowledge management.

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Knowledge management is regarded as the collection, distribution and efficient use of knowledge resources. It is referred to as a process of creating, validating, presenting and evaluating knowledge (Saeed et al., 2010). Bounfor (2003) suggests that knowledge management is a set of “principles, infrastructures and technical and management tools” which are designed to create, share. Leverage information and knowledge in organizations. Knowledge management has three types of attributes, which are knowledge acquisition, knowledge dissemination or sharing, and knowledge use. This paper seeks to study the role of organizational culture in knowledge management by using these three attributes of knowledge management. Knowledge management is all about the creation, capture and application of business-critical knowledge, yet most organizations still don't have the right processes to make this model a reality. According to Schein (1999) the organizational culture can be greatly impacted by the creation of knowledge, and the application of knowledge to solve problems, resolve issues, make decisions, and execute business processes, are fundamentally human activities which are closely inter related to organizational culture. These human activities define the domain of knowledge management, which is a process to enable the creation, capture, and leverage of knowledge. Information technologies make knowledge management better, faster, and achievable in a globally distributed enterprise. But knowledge management is not primarily a technological, but rather a social endeavor. As such, we need to bring the very human discipline and practice of change management

into the discipline and practice of knowledge management as a core component. Although defining knowledge is not so simple. Knowledge can be split along several dimensions (Barnes, 2002). According to Nonaka and Takeuchi's research, they found Japanese companies can be successful because of sharing knowledge in the organization effectively. However, the knowledge is not easy to share in organization. The knowledge can be defined into Tacit and Explicit knowledge (Polanyi, 1996). Tacit knowledge is the implicit knowledge used by staffs of the organizations to perform their work. Tacit knowledge is difficult to formalize and it should be obtained through experience. Therefore, the feature of tacit knowledge makes sharing of the knowledge and communication very difficult (Nonaka and Takeuchi, 1995). Organizational culture consists of behaviors, actions and values that are shared and followed by people in an organization (Hofstede, 1980). Since organizations operate in social environments, they are influenced by socio-cultural factors in their operations. Culture is viewed as a bond that integrates the structures of an organization together to achieve organizational goals. Organizational culture has values that influence effective knowledge management. These values are formalization, innovativeness, collaboration and autonomy (Saeed et al., 2010). This paper seeks to explain the role of each value on knowledge management in the organization. Formalization in the workplace refers to rules, procedures and policies that are documented such as job descriptions (Daft 2011). Graham and Pizo (1996, as cited in Saeed et al., 2010) argues that effective knowledge management requires organizational systems to match with formalities in order to generate desired output. Procedures in organizations

are either structured or standardized and they are essential to capturing, controlling and connecting knowledge. However, Choi (2003, as cited in Saeed et al., 2010), suggests that formalization obstructs creativity and innovation, and thus also impedes knowledge management, but there are other conflicting views on the same. Some argue that formalization can enhance sequence problem solving and decision-making, which collectively, ease knowledge accumulation (Saeed et al., 2010). In addition, he suggests that the availability of formal rules in the organization enhances organizational learning and knowledge and promotes effective communications in the organization. Knowledge management can be used as a strategy to compete with other competitors (Barnes, 2002). The director in organization can use IT technologies such as e-learning, data warehouse and internets to increase enterprises' competences. Besides, there are over 80% of global organizations which have notice the importance of knowledge management (Lawton, 2001). Learning organization can be defined as a place where people continually expand their capacity to create the results they truly desire and it is where people are continually learning how learn together (Harrison, 1992). Besides, learning organization ensure that they learn from experience, develop continuous improvement programs, use systematic problem-solving techniques, and transfer knowledge quickly and efficiently throughout the organizations. There are some advantages if the organization can manage knowledge management very well by technologies. For instance, if knowledge management is designed and implemented correctly then the potential returns from exploiting the organization resources are enormous (Davenport and Prusak, 1998), especially in areas

such as customers relationship management, research and development, business process, collaborative teams for design and others (Lawton, 2001). A learning organization has to share not only explicit knowledge but also tacit knowledge. However, many organizations cannot do the combination of knowledge management and Technology very well because of various reasons, such as lack of strategic priorities and the need to manage knowledge, rather than documents (Ruggles, 1998). In addition, the main problem is that it is difficult to externalize tacit knowledge due to many reasons that lead people to be reluctant to share what they know (Stemark, 1999). Therefore, how to manage the organizational knowledge and using this resource in the learning organization is the current issue, such as e-learning to every organization. Trust is the second value of organizational culture, which is essential for knowledge management. Trust creates an environment, which encourages innovation, experimentation and risk taking to develop new and existing knowledge. According to Fukuyama (1996), trust is an expectation that arises within people in a culture. Trust is as a good predictor of knowledge creation and supports knowledge acquisition in the organization. Saeed et al. (2010), suggests that trust aides knowledge exchange that is substantive, open and influential. When the degree of trust is high, individuals are more likely to participate in knowledge exchange, and when it is low, knowledge exchange is inhibited (Saeed et al., 2010). Another value of organizational culture, which plays a role in knowledge management, is learning. Choi (2010, as cited in Saeed et al., 2010) defines learning by as the “ degree of opportunity, variety, satisfaction and encouragement for development in an organization”. Learning is associated

with the ability to apply knowledge in the organization through innovations. It is seen as a predictor of knowledge creation, acquisition and transfer through the creation of individual learning capabilities in the organization. Boisot has different point of view with regard to knowledge. He think the knowledge can be classified into Uncodified and Codified knowledge that base on whether it is codified or is readily diffused (Boisot, 1995). Uncodified knowledge is knowledge that cannot be captured in writing or stored without essential losses of information due to the important role of the experience that is required; while codified knowledge is knowledge that can be put down in writing without any loss of information. On the other hand, the knowledge can be defined into undiffused and diffused knowledge (Boisot, 1995). Undiffused knowledge is knowledge that people not share because of difficult of expression while diffused knowledge not have any obstacle to share among organization. McCrea, Gay & Bacon (2000) in deliberating business to business electronic learning industry acknowledged that “ employee value is not simply measured by the ability to execute strategy and manage teams, but also their residual pool of ‘ on-the-job’ knowledge have amassed during their tenure.” It clearly indicated what contribution the staffs can provide and how important experienced employees to organizations. However, the knowledge would not easy to share to other employees in the organization base on its features. Therefore, organizational culture shows how to use the employees’ knowledge becoming companies resource to compete with rivals and how to manage invisible knowledge are hard challenge to the manager. The last value of organizational culture, which has a role in knowledge management, is collaboration. According to Saeed et al. (2010), it is how

human share behavior of meaning and completion of activities originating from mutually shared goals and it takes place in a social setting. It is an individual's level of active support and assistance to an organization. A collaborative culture in the organization can promote knowledge. It affects the creation of knowledge by increasing knowledge exchange by the members of an organization (Saeed et al., 2010). Collaboration culture promotes this exchange of knowledge by increasing openness and reduction of fear among organizational members. In summary, organizational culture has a profound impact on the knowledge management within any organization, which is defined by a set of strategic capabilities and a process to enable the creation, capture, and leverage of organizationally-valued knowledge. These capabilities do not exist within and across most organizations. A change intervention is required to develop and put these strategic capabilities in place. Change management is a discipline and a set of tools to help you plan, manage, and execute the initiatives necessary to achieve the desired end state of a knowledge-enabled organization.

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