An investigation on the effect of organizational culture on knowledge management implementation

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CHRONICLE	ABSTRACT
	This study was conducted to evaluate the effect of organizational culture on knowledge management implementation. The proposed study designed a questionnaire and distributed it among individuals 370 managers and employees of GOLDIRAN, an official agent of Korean firm named LG in Iran. The results of this study show that there were positive and meaningful relationships among 4 variables including adaptability, involvement, mission, stability in this firm. Based on the organizational cultures to component development, Stability) maintains the highest average (3.5984), and involvement maintains the lowest average (3.3871).

1. Introduction

In today's competitive business environment, only the knowledge of an organization can provide the basis for organizational renewal and sustainable competitive advantages (Hofstede, 2001). Organizational knowledge can be classified into two categories: Explicit and Tacit knowledge. Explicit knowledge is a fact and can be codified and transmitted into a systematic and formal language (Keyton, 2005). It is usually data, which exist within an organization and can be easily collected. Tacit knowledge is the personal experiences, context-specific knowledge that is difficult to formalize, record or articulate (Kwantes, & Boglarsky, 2007). It actually resides in employees' minds, behavior and perception (Schermerhorn et al., 2005). Examples are intuitions, hunches, insights, beliefs and values. Both tacit and explicit knowledge are needed for an organization to achieve greater performance (Barbosa, & Cardoso, 2007).

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Knowledge is the primary assets of enterprises in most high technology firms. Effective use of internal knowledge creates advantages for market competition (Henri, 2003). What is meant by knowledge? The way to an answer leads through the history of eastern and western philosophy (Conklin et al., 2005). Knowledge is based on information and bound to people and we understand knowledge as actively processed information and personal experience, being aware that we often talk about knowledge when information is meant (Denison, 2000).

As knowledge is not static but highly dynamic, the question is how to establish a flow of information and know-how (Blackler, 1995). In classical organizations, this is partly realized by hierarchical structures, where knowledge is connected to hierarchical levels (Groff, 2003). In virtual organizations knowledge processing is inhibited by decentralized structures and geographical distribution (Choi & Lee, 2003). In this article, we investigate issues concerning sustained knowledge management in virtual organizations. Using the example of a case study we have carried out in a team-oriented virtual organization, we will analyze how technical and organizational aspects impact knowledge processes. Particular emphasis will be placed on the question of how knowledge visibility and transfer can be supported. A key to sustained knowledge management is organizational culture, which forms the environment in which information and know-how can flow.

2. Literature review

2.1.Knowledge Management

Gartner Group (1996) defined knowledge management as "a discipline that promotes an integrated approach to identifying, capturing, evaluating, retrieving and sharing all of an enterprise's information assets" (Tat & Hase, 2007). These assets may include databases, documents, policies and procedures and experience in individual workers. This definition can be presented in the following figure (Oliver & Kandadi, 2006). According to Bukowitz and Williams (1999), Knowledge Management is defined as "the process by which the organization generates wealth from its intellectual or knowledge-based assets".
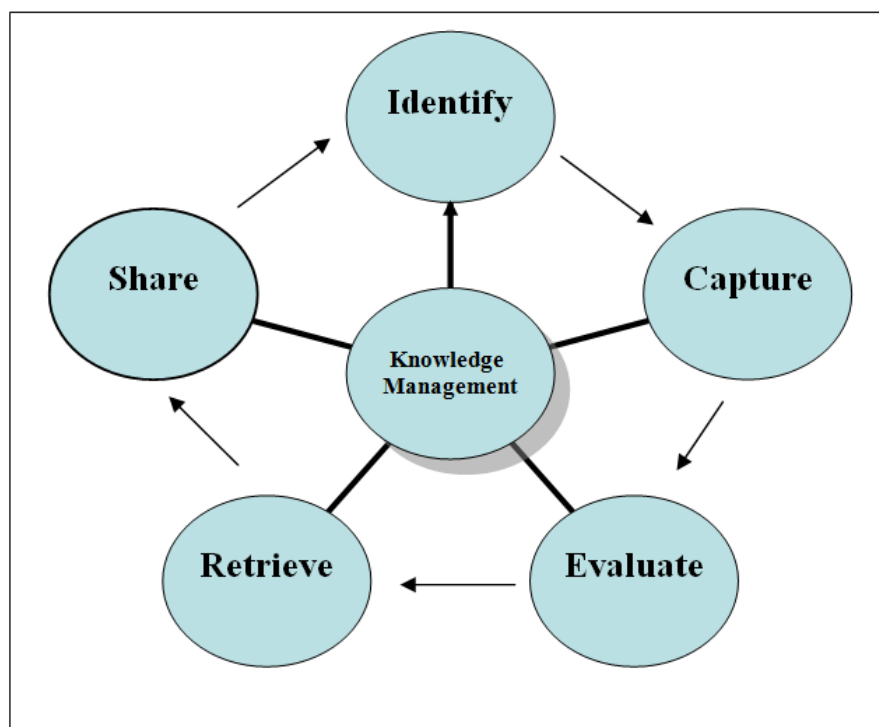

Fig. 1. Knowledge management process (Oliver & Kandadi, 2006)

Ardichvili et al. (2006) identified KM as "a process of leveraging and articulating skills and expertise of employees, supported by information technology". King et al. (2008) refers to knowledge management as a process of knowledge creation, validation, presentation, distribution, and application. These five phases in knowledge management allow an organization to learn, reflect, unlearn and relearn, to build, maintain, and replenish its core-competencies.

2.2 Organizational culture

Culture is a conceptual word discussed for thousands of years by anthropologists, sociologists, historians and philosophers (David & Fahey, 2000). Each society is underpinned and defined by a distinctive culture. Culture is a set of values, beliefs, common understanding, thinking and norms for behavior shared by all members of a society. We are not able to precisely define it, but we may easily sense it and feel it. Culture provides guidance to behaviors in the society, in apparent and sometimes unnoticeable ways; and it profoundly influences our decision-making (Lustri, et al., 2007).

The same understanding that applies to various societies can be well applied to management science. Organizations are quite similar to societies and communities in the sense that they are constituted by a group of people who distinguish themselves by clear boundaries from other work groups (McManus & Loughridge, 2002). Through working together, people gradually develop their own way, a habitual or sometimes taken-for granted way, in reaching unitary goals; and by adapting to, while being adapted by, other people in the organization (Jackson, 2011).

To have a strong and effective organizational culture, we need to look for answers to some questions such as whether all employees in our organization have a common understanding of our purpose, strategy and goals? What are the core values in our organization and do all have a common understanding of such values? Do we have a team spirit in our firms? Is everybody highly involved and committed? How do we define success? How do we handle agreement and disagreement? What behaviors are regarded as deviant in our firm? How adaptive and innovative are we as a firm? The feelings of every member towards every aspect of corporate life, when counted together, constitute our organizational culture (Aktaş et al., 2011).

At the surface level, culture can present itself as visible symbols, slogans, languages, behaviors, histories and stories, dress codes, heroes, legends, rituals and ceremonies (Kimble & Bourdon, 2008). However, underlying these visible signs of culture, are the core values, beliefs and shared assumptions of each employee that help define the firms' culture. We do not have to expect our firm's culture to be easily changed by switching our logos, rearranging the layout of our office space, or repeating some heroic stories to our employees (Eftekharzade & Mohammadi, 2011). They may work to a certain degree but are definitely far from adequate to win our employees' hearts and their minds, as well as the market. What we need is some deeper analysis and reflection of our people's collective beliefs and assumptions. Only when we understand these in more depth will we be capable of defining appropriate steps to strengthen our firm's culture and effectiveness (Teo, 2005).

2. Research Methodology

In this research a questionnaire consists of 23 questions with 5 options is used. The also questionnaire gathers the respondents with demographic information. The layout of questions is as following:

Table 1
Different categories of the proposed model

Questions	1-5	6-11	12-16	17-23
Hypothesis	H_1	H_2	H_3	H_4

It should be mentioned that a spectrum was used for scale and according to research purpose the questions are divided in the form of options (from very low to very high significance level):

Very High	High	Medium	Low	Very Low

Two topics including trustworthiness (reliability) and validity (validity) are principles of measuring and evaluating of scientific research and considered as fundamental requirement for effective and beneficial gathering data. With regard to this, the present study is to examine the above issues in the questionnaire. The alpha value of the component is calculated as described in Table 2.
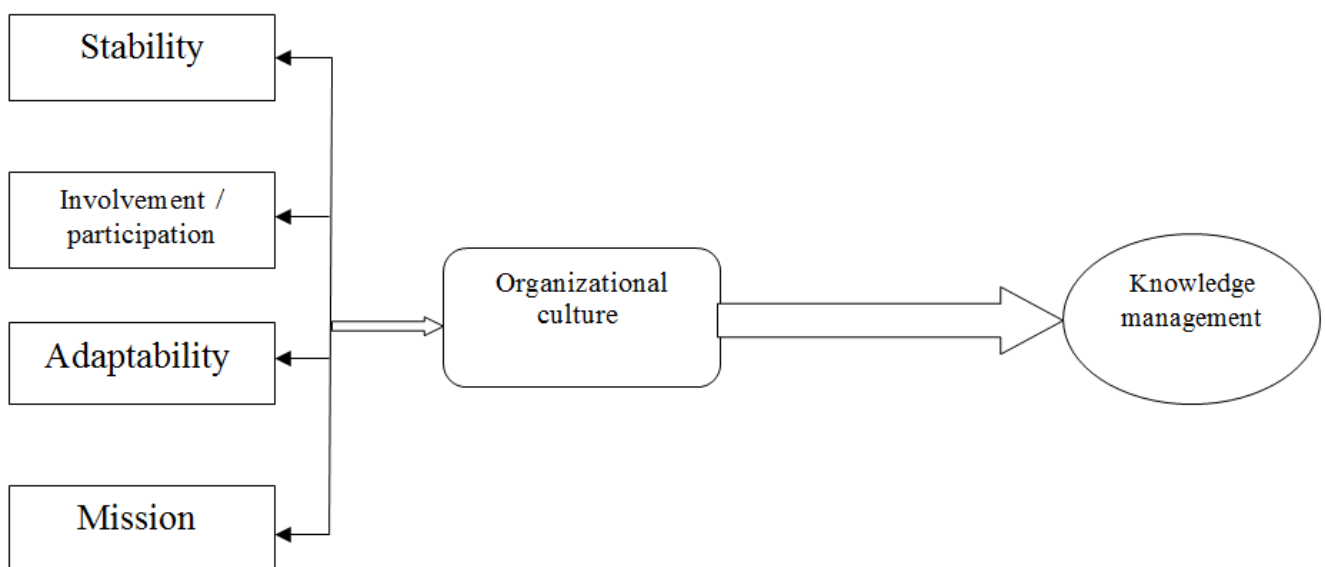
Table 2
Value of Alpha Cronbach in research component

Variables	Alpha
Adaptability	0.764
Involvement /Participation	0.875
Mission	0.732
Stability	0.893

As we can observe from the results Table 2, the value of Alpha Cronbach is approved in all items. Time, place and subject matter frameworks must be precisely determined in any research. Of course, every researcher has a series of obstacles and constraints that prevent to conduct research widely, barriers such as required time to conduct research, research costs, etc. The study was started on September 2012 and finalized on February 2013 among human resource management team members of GOLDIRAN firm in city of Tehran, Iran.

3. Method of analyzing data

In general, we can say that the data analysis has a quantitative dimension including specific statistical calculation and a qualitative dimension including analysis, reasoning and inference affecting on results of statistical calculations. In this research Delphi method is used to analyze data and approve dimensions and components of organizational cultures and knowledge management regardless to benefit from statistical methods by interview with officials and experts and in other hand this method is used to institutionalize concerned cases and determine its feasibility.

Research conceptual model

Table 3 shows details of our findings on relationship between organizational culture and knowledge management.

Table 3
The relationship between organizational culture and knowledge management

	Standardized coefficients are not been		Correlations	t	Sig.
	Intercept	Errors			
(Constant)	3.544	.138		25.634	.000
Organizational Cultures	.047	.046	0.649	-1.021	.000

As we can observe from Table 3, the correlation coefficient between the two variables is 0.649. Since the correlation coefficient is greater than 0.5, we can conclude that there is a strong correlation between the two variables when the level of significance is 0.000.

Table 4
The relationship between measures of organizational culture (mission, consistency, adaptability, involvement of work) and knowledge management

	Standardized coefficients		Standardized coefficients	t	Significant	Correlations
	Intercept	Errors	Correlations			
Constant	3.534	.290		12.195	.000	0.687
Involvement of work	.060	.049	.465	1.227	.000	
Consistency	.060	.056	.456	-1.054	.000	
Adaptability	.023	.044	.428	-.533	.000	
Mission	.024	.056	.323	-.428	.000	

Table 4 shows the relationship among measures of organizational culture including mission, consistency, adaptability, involvement of work on independent variables and knowledge management as dependent variable. As we can observe from the results of Table 4, there are positive and meaningful relationship between independent variables and knowledge management when the level of significance is one percent. In our survey, all coefficients are positive, which means they influence knowledge management, positively. The highest impact belongs to involvement of work and the minimum impact is associated with mission. Table 5 presents the relationship between organizational culture and creation of knowledge.

Table 5
The results of organizational culture and creation of knowledge

	Intercept	Error	Correlations	t	Sig.
(Constant)	2.636	.129		20.464	.000
Organizational cultures	.225	.043	.214	5.253	.000

According to results of Table 5, the correlation coefficient between the two variables is 0.214. Since the correlation coefficient is less than 0.3, a weak correlation between the two variables is established. Thus, the above equations are weakly correlated when the level of significance is one percent.

Table 6
The results of organizational culture and knowledge

	Intercept	Error	Correlations	t	Sig.
(Constant)	3.345	.157		21.264	.000
Organizational cultures	.109	.052	0.301	2.073	.039

Table 6 shows details of our findings on relationship between organizational culture and knowledge. The results are similar with our findings in Table 5 as there is a weak correlation between two variables. Table 7 shows details of our survey on relationship between organizational culture and knowledge of organization.

Table 7
The results of organizational culture and knowledge of organization

	Intercept	Error	Correlations	t	Sig.
(Constant)	3.588	.161		22.292	.000
Organizational cultures	.048	.054	0.427	-.901	.000

The result of Table 7 shows that the correlation coefficient between the two variables is 0.427. Since the correlation coefficient is higher than 0.3, a moderate correlation between the two variables is established. Thus, a high correlation between moderate exists when the level of significance is 0.000. Next, we present details of our findings on relationship between organizational culture and knowledge storage in Table 8.

Table 8
The summary of the relationship between organizational culture and knowledge storage

	Intercept	Error	Correlations	t	Sig.
(Constant)	3.107	.158		19.716	.000
Organizational cultures	.059	.053	.258	1.123	.002

According to the results of Table 8, the correlation coefficient between the two variables is 0.258. Since the correlation coefficient is less than 0.3, a weak correlation between the two variables is established. Thus, the above equations are weakly correlated when the level of significance is one percent. Finally, Table 9 presents details of relationship between organizational culture and knowledge diffusion. The results of Table 8 are similar with our findings on Table 8 and we can conclude that there was a weak correlation between two variables of organizational culture and knowledge diffusion.

Table 9
The summary of relationship between organizational culture and knowledge diffusion

	Intercept	Error	Correlations	t	Sig.
(Constant)	3.152	.144		21.834	.000
Organizational cultures	.001	.048	.221	.029	.007

4. Conclusion

In this paper, we have presented an empirical investigation to study the relationship between organizational culture and knowledge management. The proposed study has been implemented for an official agent of the Korean firm. The results have confirmed that there were some positive and meaningful relationships between organizational culture and different components of knowledge management. The results of this survey are consistent with other studies presented by King et al. (2008) and Tat and Hase (2007).

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