

The Relationship between Organizational Culture Factors and Knowledge Sharing

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ABSTRACT

The aim of research was to study the relationship between organizational culture factors and knowledge sharing. This study was practical due to its objectives, and was descriptive due to its methodology. The statistical society included all 350 employees of Kermanshah Insurance Organization among whom the researchers selected 186 persons using Morgan Table and random selection. In order to collect the data needed, the researchers used, in addition to library researches, a questionnaire. The questionnaire was constructed according to the combination of questions of both variables. In the questionnaire the question regarding organizational culture and knowledge sharing were asked and then the data were analyzed in the next step. The alpha coefficient for test reliability was evaluated and estimated to be 0.869. Moreover, the researchers used a t-test in order to analyze the data. The software used to analyze the data was SPSS version 19. Finally, the result showed that there was a significant relationship between organizational culture factors and knowledge sharing. It means that using the factors increases knowledge sharing.

KEYWORDS: Organizational Culture, Organizational Structure, Informational System, Communication, Knowledge Sharing.

1. INTRODUCTION

Today, managers in different countries are interested in shaping and creating knowledge management systems and then to take advantage of them. One of the most important aims in this process is to share the knowledge between members and then between organizations in a balanced method to create competitive behavior. Knowledge sharing is one of the most important factors in knowledge management.

Due to globalization of economy, rapid growth in information technology, increase in knowledge based work and competition pressure the concept of knowledge management has gained momentum in recent years. Knowledge sharing is a systematic process for creating, acquiring, synthesizing, learning, sharing and using knowledge and experience to achieve organizational goal. This knowledge can be inside the employees' minds or stored in paper form in filing cabinets and/or stored in electronic form (Sethumadhavan 2007, p.1).

Knowledge sharing causes a reduction in costs in terms of knowledge production, and then it insures the proper way to share it. Consequently, this manner enables organizations to solve their problems properly. Organizational culture plays a very important role in knowledge management projects such as knowledge sharing. Both organizational culture and structure should support knowledge sharing procedure. "The concept of organizational culture as the main source of knowledge can be supported by individuals, instructions, working procedures, and computerized equipment in an organization" (Morad Zadeh 2006). Organizational culture and environment also play a very important role in constructing knowledge management actions.

The analysis of culture should be counted as one of the important steps in knowledge management actions. Many researches in past 50 years showed that culture has a very great influence on mood, and using knowledge-based possessions. Many scholars believe that this influence is effective in 4 ways including; (1) cultures and specially small cultures plays very important roles in shaping values, (2) culture defines the relationship between individual knowledge and organizational knowledge, (3) culture is as a tissue to create social cooperation, and (4) knowledge shapes procedures that produce new knowledge in an

organization. These four factors suggest special actions to managers by which different they can evaluate the influence of cultural aspects on behaviors related to knowledge sharing.

1.1. LITERATURE REVIEW

Organizational Culture: The beginning of organizational culture refers back to the emergence of organizations. Each organization at the time of its” emergence and beginning” has organizational “culture” within itself (*Schneider 2002, p. 16*). Using such a term – organizational culture – started from the beginning of 20th century and recently has been popular in organizational management studies. We can find its roots in anthropological, sociological, and socio-psychological subjects. “Values, actions and related responses in working condition” are accepted through “explaining the environment and operation of informal organization” (*Abbas Zadeh 1994, pp. 40-49*).

Hofstede in 1991 introduced 6 dimensions of organizational culture to compare organizations with each other:

1. Procedure oriented versus result oriented;
2. Employees oriented versus work oriented;
3. Limited versus professional;
4. Open system versus closed system;
5. Free controlled against highly controlled; and
6. Order oriented (superficial) against actual oriented (*Hofstede 1991, pp. 4-12*).

Knowledge Management: It refers to a combination of experiences, values, information, and skilled experts that provide a kind of framework for evaluations, combination of new experiences and information (*Kimbel and Bourdon 2008, p 45*). Undoubtedly, knowledge is one of the newest sources in organizational management that challenges the world’s habitual regularity and overcomes traditional ways of success. Simply, knowledge means the process of knowledge. The way that human transfers information to knowledge is done through comparisons, results, communications and speeches.

Knowledge Sharing: It refers to a collection of values that can facilitate the “communication” between people, the better “access of information”, the “reduction of time wasting”, and finally the “improvement of working procedure quality” (*Dave and Koskela 2009, pp. 894-902*). There are many benefits enumerated for knowledge sharing. Sethumadhavan in 2007 considered 9 important benefits and advantages for knowledge sharing which can help organizations as below:

1. Foster innovation by encouraging the free flow of ideas.
2. Help in understanding markets and customers.
3. Development of product and services.
4. Development of vision and strategies.
5. Building competencies.
6. Improve customer service by streamlining response time.
7. Boost revenues by getting products and services to market faster.
8. Enhance employee retention rates by recognizing the value of employee's knowledge and rewarding them for it.
9. Streamline operations and reduce costs by eliminating redundant or unnecessary processes (*Sethumadhavan 2007, p. 2*).

Knowledge management is a kind of test from human nature and therefore the understanding toward it would be very hard. Many researchers such as Davenport, Lebovitz, J, and Chen believe that management and knowledge sharing directly do not increase organizational performance and need some intermediate variables, the most important of which are individuals.

Communication: It refers to visual, auditory, articulatory, written and moveable efforts that we use to transfer a message to the others in an effective way in which we can share knowledge with them. Fundamentally, communication is made of some aspects such as message, sender of message, and the tool

and the channel of sending. By communication, “we mean horizontal or vertical communication from upper level to the lower one and also formal or informal kinds of communication” (Robbins 1990, pp. 961-967).

Organizational Structure: It refers to the pattern of internal relationships within the organization, authority, and communications and clarifies the reporting relationships of formal channels, responsibilities, and job devolving. The organizational structure refers to a set of “activities such as task allocation, coordination and supervision, which are directed towards the achievement of organizational aims” (Pugh 1990). It can also be measured as “the viewing glass or perspective through which individuals see their organization and its environment” (Jacobides2007, pp. 455-477).

Information System: Information Systems refer to a set of “complementary networks of hardware and software that people and organizations use to collect, filter, process, create, and distribute data” (Jessup, and Valacich 2008, p. 416). These systems by producing short and structural reports based upon regularity and repetition facilitate the task of management. The output of these systems is provided regularly and is used mostly to control the organizations. Moreover, “they are used to plan, organize, and manage those activities that support the performance” (Ramazan 2010, p. 23).

Regarding such subjects, there have been done many researches that to some extent revealed some aspects. Huff and Heisman in 2009 studied the knowledge sharing management in 6 different organizations. They considered the influence of factors such as organizational structure, individual relationships, social relationships, organizational culture, and information technology on knowledge sharing. The results showed that flexible organizational structure, motivating organizational culture, and using ICT can have a very significant and positive effect on individual relationships.

2. RESEARCH METHODOLOGY

This study can be considered as a practical one due to its objectives, and also can be counted as a descriptive one because of its methodology. The aim of this study is to investigate and explore the relationship between organizational culture factors and knowledge sharing. The statistical society examined in this research includes all 350 employees of Kermanshah Insurance Organization among whom the researcher’s select 186 persons using Morgan Table and random selection. In order to collect the data needed, the researchers use two current methods. One was is to search in books and articles existing in the library that is called library research in this article. The background and the review of literature are gathered through this method. The second way is to use a questionnaire to gather the data needed from the statistical society and specially sample group.

The questionnaire is constructed according to the combination of questions of both variables. In the questionnaire the question regarding organizational culture and knowledge sharing are distributed and asked from the sample group. Then the data are analyzed in the next step. The alpha coefficient for test reliability is evaluated and estimated to be 0.869. Moreover, the researchers use a t-test in order to analyze the data. The software used to analyze the data is SPSS version 19.

3. FINDINGS

In this research we used 3 alternative hypotheses as the followings and analysed them by means of SPSS software:

The First Hypothesis: The relationship between communication and knowledge sharing.

The null hypothesis: There is no significant relationship between communication and knowledge sharing.

The Alternative hypothesis: There is a significant relationship between communication and knowledge sharing.

Table 1 (t-test between communication and knowledge sharing)

Factor	T	Freedom	Significancy	N
Communication	11.479	185	0.000	186

According to table 1, the significance is 0.000; therefore, the null hypothesis is rejected and the alternative hypothesis is accepted. Consequently, there is a significant relationship between communication and knowledge sharing.

The Second Hypothesis: There is a significant relationship between informational system and knowledge sharing.

The null hypothesis: There is no significant relationship between informational system and knowledge sharing.

The Alternative hypothesis: There is a significant relationship between informational system and knowledge sharing.

Table 2 (t-test between informational system and knowledge sharing)

Factor	T	Freedom	Significance	N
Informational System	11.479	185	0.000	186

According to table 2, the significance is 0.00; therefore, the null hypothesis is rejected and the alternative hypothesis is accepted. Consequently, there is a significant relationship between informational system and knowledge sharing.

The Third Hypothesis: There is a significant relationship between organizational structure and knowledge sharing.

The null hypothesis: There is no significant relationship between organizational structure and knowledge sharing.

The Alternative hypothesis: There is a significant relationship between organizational structure and knowledge sharing.

Table 3 (t-test between organizational structure and knowledge sharing)

Factor	T	Freedom	Significance	N
Communication	11.681	185	0.000	186

According to table 3, the significance is 0.000, therefore, the null hypothesis is rejected and the alternative hypothesis is accepted. Consequently, there is a significant relationship between organizational structure and knowledge sharing.

4. CONCLUSION

In this research, it was tried to study the relationship between organizational culture factors and knowledge sharing. According to its objectives, it was practical, and according to its methodology it was descriptive. The statistical society included all 350 employees of Kermanshah Insurance Organization among whom the researchers selected 186 persons randomly and using Morgan Table. The data needed were collected by the researchers through two ways of library researches, and a questionnaire which was a combination of question about the variables. Both the validity and reliability were tested and confirmed (by experts and Alpha Coefficient).

According to the results obtained through SPSS software, t-test, and also other parts of the article, the researchers find out that there there is a significant relationship between organizational culture factors and knowledge sharing. It means that using the factors increases knowledge sharing. In a general conclusion according to the hypotheses of the research, it can be expected that at least in Kermanshah Insurance Organization by means of proper organizational culture factors we can improve knowledge sharing. This study focused on Kermanshah Insurance organization can be considered as a small scale for all Iranian organizations. According to this point, it can be suggested to all managers to use proper organizational culture factors to increase knowledge sharing and therefore the level of knowledge in their organizations.

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