

Knowledge Sharing and Organizational Culture (Case Study: Comment Factory)

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ABSTRACT

This research investigates the relation of Knowledge sharing and organizational culture in the Sufian comment factory. The statistical population of this research included all the employees in the office section of factory. These consisted of 600 employees, from which samples of 125 employees were chosen. Regression analysis test was used to analyze data. The results of this research indicate a positive relationship of knowledge sharing and adoptability, consistency, involvement and mission.

KEYWORDS: knowledge sharing, organizational culture, adoptability, consistency, involvement and mission.

INTRODUCTION

Knowledge can be described as “the combination of data and information, to which is added expert opinion, skills and experience, resulting in a valuable asset which can be used to aid decision making”(Sarmiento, 2005). Knowledge is one of the organizational properties that possessed by organizational members, and includes practical knowledge, high-level technical capabilities, perceptions of systems and creative abilities (Quinn, J.B., Anderson, P. and Finkelstein, S., 1996).

In today’s knowledge-based economy, an organization’s ability to strategically leverage knowledge has become a crucial factor for global competitiveness. As a consequence, a growing number of organizations, especially in knowledge-intensive industries, have introduced knowledge management systems in order to use the resource knowledge more effectively and efficiently.

The process of knowledge management involves several activities. The most commonly discussed activity in the process of knowledge management nowadays is knowledge transfer (knowledge sharing) (Ford, 2001). Knowledge sharing is critical to a firm’s success (Davenport and Prusak, 1998) as it leads to faster knowledge deployment to portions of the organization that can greatly benefit from it (Syed-Ikhsan and Rowland, 2004).

According to Denison (2003a), organizational culture highlights four key traits that an organization should master same effective. At the center of the model are the organization’s “Beliefs and Assumptions.” These are the deeply held aspects of an organization’s identity that are often hard to access. The four traits of the Denison Model, Mission, Adaptability, Involvement and Consistency, measure the behaviors driven by these beliefs and assumptions that create an organization’s culture.

The work of Denison (2003a) can better be understood through Figure 1.

As depicted in figure 1, the researchers chose the factors that received strong emphasis from the literature in influencing the success of knowledge sharing. These factors are: trust, communication between staff and hierarchy and formal strength.

Literature review& Research hypothesis

Knowledge and Knowledge Sharing

According to Gammelgaard and Ritter (2000), knowledge can be defined as: A fluid mix of framed experience, values, contextual information, and expert insight that provide a framework for evaluating and incorporating new experiences and information. Knowledge originates and prospers in the minds of experts. In organizations, it often becomes embedded not only in documents of repositories but also in organizational routine, process, practices, and norms.

Lee (2001) defined knowledge sharing as activities of transferring or disseminating knowledge (including implicit and tacit knowledge) from one person, group or organization to another. Song (2001) indicated that through effective knowledge sharing, organizations can improve efficiency, reduce training cost, and reduce risks due to uncertainty.

Regarding the definitions of knowledge sharing, it is mainly described as an activity during which information or other important contents are shared (Bartol, Srivastava 2002; Möller, Svahn 2004; Kocsis 2004; Li 2010). The approach of Bartol and Srivastava (2002) contains information as an element of knowledge sharing and defines it as the action in which relevant information are diffused by employees to others across the organization.

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To establish a successful knowledge-sharing culture an organization must especially consider trading aspects of modern portfolio theory and refrain from being exclusively dependent on trust, attitude, leadership, and group support. In the company survey presented herein the author discovered indicators supporting the business transactions theory.

Organizational Culture

A growing research stream in organizational sciences views organizational culture as a principal aspect of an organization's functioning and a critical driver of effectiveness (e.g., Schein, 1983, 1984, 1985, 1992). Manifested in the shared fundamental beliefs and assumptions, values, attitudes, and behaviors of the organization's members, culture is theorized to be the prime factor (1) shaping organizational procedures (Deal & Kennedy, 1982; Jarnagin & Slocum, 2007), (2) unifying organizational capabilities into a cohesive whole (Day, 1994), (3) providing solutions to the problems faced by the organization (Schein, 1984), and, thereby, (4) hindering or facilitating the organization's achievement of its goals (Denison, 1990). Furthermore, given its inherently "socially complex" and "causally ambiguous" nature, a comparative advantage gained through a culture-driven organizational capability is usually difficult to imitate, thus constituting a valuable source of sustained competitive advantage and superior performance (Barney, 1986; Hall, 1993; Peteraf, 1993; Wernerfelt, 1984).

Schein (1985) defines organizational culture as a set of implicit assumptions held by members of a group that determines how the group behaves and responds to its environment. At its deepest level, culture consists of core values and beliefs that are embedded tacit preferences about what the organization should strive to attain and how it should do it (DeLong & Fahey, 2000).

Each organization has its unique culture, which develops overtime to reflect the organization's identity in two dimensions: visible and invisible. The visible dimension of culture is reflected in the espoused values, philosophy and mission of the firm while the invisible dimension lies in the unspoken set of values that guide employees' actions and perceptions in the organization (McDermott and O'Dell, 2001). However, other researchers who used an integrated approach, combining qualitative and quantitative methods in their empirical studies (e.g. Hofstede et al., 1990; Denison and Mishra, 1995; Fey and Denison, 2003).

Our empirical analyses are based on Denison's theory of organizational culture and knowledge sharing (Denison, 2000; Denison & Mishra, 1995). This framework focuses on four broadly defined cultural traits – involvement, consistency, adaptability, and mission – as key determinants of knowledge sharing – trust, communication between staff and hierarchy and formal strength. Therefore, the following hypothec will be tested:

Organizational culture and knowledge sharing

Denison's model states that the four broadly defined cultural traits of involvement, consistency, adaptability, and mission, collectively facilitate an organization's capabilities for integrating and coordinating internal resources as well as its adaptation the external environment, thereby leading to superior organizational performance. The model further specifies that each trait is measured by three indexes (i.e., value dimensions) (Yilmaz and Ergun, 2008).

Adaptability. Adaptability is the organization's capacity for internal change in response to external conditions (Denison & Mishra, 1995). Companies that are highly internally focused and integrated can have difficulty adapting to external market demands (Lawrence & Lorsch, 1967); hence it is important to ensure a capacity for creating change, understanding the customer and meeting their needs, and continuing to learn as an organization (Fey & Denison, 2003; Nadler, 1998). therefore, The following hypothec will be tested:

Consistency: refers to the existence of organizational systems and processes that promote real alignment and efficiency over time. It is the focus on a common set of management principles, consensus regarding right and wrong ways to do things, and coordination and integration across the organization. "The fundamental concept is that implicit control systems, based on internalized values, are a more effective means of achieving coordination than external control systems that rely on explicit rules and regulations" (Denison, 1990). Organizations are more effective when they are consistent and well-integrated (Saffold, 1988). Effective organizations combine involvement and consistency in a continual cycle such that involvement is used to generate potential ideas and solutions, which are then refined into a more precise set of principles" (Denison, 1990). Therefore, the following hypothec will be tested:

Involvement: The involvement trait focuses on employees' commitment and sense of ownership, involvement in decisions that affect them, and team orientation. Effective organizations empower their employees, use teamwork, and continuously develop the capacity of their employees (Denison, 2000; Fey & Denison, 2003). Therefore, the following hypothec will be tested:

Mission. Mission refers to the degree to which an organization is clear on why it exists and where it is headed. Effective organizations pursue a mission containing economic and noneconomic objectives that provide meaning and direction for their employees (Denison & Mishra, 1995). More specifically, these organizations have a clear purpose and direction, goals and objectives, and a vision for the future (Fey & Denison, 2003; Mintzberg, 1987, 1994). Therefore, the following hypothes will be tested:

Trust. Interpersonal trust or trust between co-workers is an extremely essential attribute in organizational culture, which is believed to have a strong influence over knowledge sharing. Interpersonal trust is known as an individual or a group's expectancy in the reliability of the promise or actions of other individuals or groups (Politis, 2003). Team members require the existence of trust in order to respond openly and share their knowledge (Gruenfeld et al., 1996).

Communication. Between Communications here refers to human interaction through oral conversations and the use of body language while communicating. Human interaction is greatly enhanced by the existence of social networking in the workplace. This form of communication is fundamental in encouraging knowledge transfer (Smith and Rupp, 2002).

One of the uniqueness of this model is that it focuses on two paradoxes that each company is constantly seeking to balance. One is consistency versus adaptability: companies that are market-focused may encounter problems with internal integration but those too well integrated may be over-controlled and lacks adequate flexibility to adjust to the environment. The other is top-down vision (mission) versus bottom-up (involvement): organizations with too much emphasis on general corporate mission may frequently ignore the issue of employee empowerment and buy in, but organizations with strong participation may have a hard time in establishing direction (William et al, 2005).

Research hypotheses

1. There is a positive relationship between organizational culture and knowledge sharing in organizations.
2. There is a positive relationship between adaptability and organizational culture in organizations.
3. There is a positive relationship between consistency and organizational culture in organizations
4. There is a positive relationship between involvement and organizational culture in organizations
5. There is a positive relationship between mission and organizational culture in organizations.

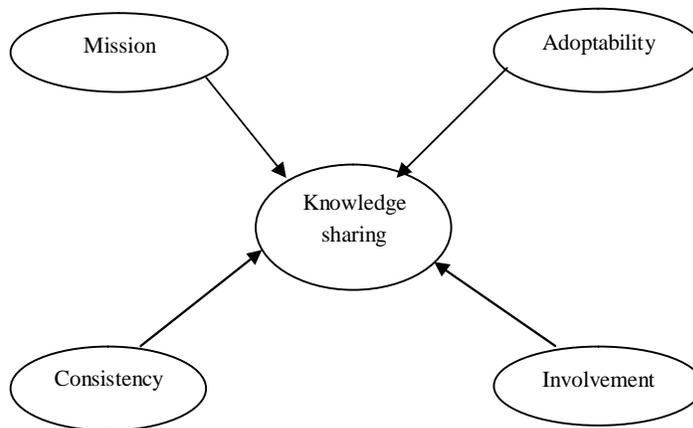


Figure 1. Conceptual framework

RESEARCH METHODOLOGY

The method of this research as specified by goals is applied one and as specified by data gathering ways is descriptive- survey based. The statistical population of this research includes all the employees in the Sufian comment factory. Formula (1) was used to determine sample size, which estimated to be 125 people.

Formula (1)

$$n = \frac{Z^2 \alpha/2 \times \sigma^2}{e^2} = 125$$

Simple sampling method was used for sampling. Concerning that the size of the sample was 125 questionnaires were distributed, and finally 115 questionnaires were usable for statistical analysis.

Data of this research are gathered from library. The means of data gathering are questionnaires. In this study the opinions of some experts and specialists was used to investigate questionnaire's validity, and the questionnaire's validity was supported. Also the Alpha Cronbach's Alpha coefficient was used to determine reliability. The questionnaire included 65 questions which were designed as five choices Likert scale and then were evaluated. The value of alpha coefficient for the whole of questionnaire was 0/884 and for every question in questionnaire was more than 0/70 which shows that there is internal consistency between questions in the questionnaire.

Hypotheses test

A major hypothesis of the research is: there is significant relationship between organizational culture and knowledge sharing. We have used Pearson correlation test to analysis the relationship between organizational culture and knowledge sharing. The results indicate in table 1. Based on the statistics results, the significant level is 0.000 that is under 0.01 and we can say that null hypothesis test is confirmed and research hypothesis is confirmed.

Table1. Result of Pearson correlation coefficient

	Pearson coefficient	N	sig
organizational culture and knowledge sharing	0.456**	125	0.000

In the regression test, we consider knowledge sharing as a dependent variable and organizational culture as an independent variable. Correlation coefficient between organizational culture and knowledge sharing is 0.456 and significant level is 0.000 that under 0.01. So there is direct and significant relationship between organizational culture and knowledge sharing. The result is shown in the table 2.

Table 2. The result of regression coefficient

	R	R square	Adjusted R square	sig
organizational culture and knowledge sharing	0.456	0.207	0.203	0.000

The first hypothesis of the research is: there is significant relationship between adoptability and knowledge sharing. We have used Pearson correlation test to analysis the relationship between adoptability and knowledge sharing. The results indicate in table 3. Based on the statistics results, the significant level is 0.000 that is under 0.01 and we can say that null hypothesis test is confirmed and research hypothesis is confirmed.

Table 3. Result of Pearson correlation coefficient

	Pearson coefficient	N	sig
adoptability and knowledge sharing	0.386**	125	0.000

In the regression test, we consider knowledge sharing as a dependent variable and adoptability as an independent variable. Correlation coefficient between adoptability and knowledge sharing is 0.386 and significant level is 0.000 that under 0.01. So there is direct and significant relationship between adoptability and knowledge sharing. The result is shown in the table 4.

Table 4. The result of Regression coefficient

	R	R square	Adjusted R square	sig
adoptability and knowledge sharing	0.386	0.148	0.144	0.000

The second hypothesis of the research is: there is significant relationship between consistency and knowledge sharing. We have used Pearson correlation test to analysis the relationship between consistency and knowledge sharing. The results indicate in table 5. Based on the statistics results, the significant level is 0.000 that is under 0.01 and we can say that null hypothesis test is confirmed and research hypothesis is confirmed.

Table 5. Result of Pearson correlation coefficient

	Pearson coefficient	N	sig
consistency and knowledge sharing	0.360**	125	0.000

In the regression test, we consider knowledge sharing as a dependent variable and consistency as an independent variable. Correlation coefficient between consistency and knowledge sharing is 0.360 and

significant level is 0.000 that under 0.01. So there is direct and significant relationship between consistency and knowledge sharing. The result is shown in the table 6.

Table 6. The result of regression coefficient

	R	R square	Adjusted R square	sig
consistency and knowledge sharing	0.360	0.129	0.125	0.000

The third hypothesis of the research is: there is significant relationship between involvement and knowledge sharing. We have used Pearson correlation test to analysis the relationship between involvement and knowledge sharing. The results indicate in table 7. Based on the statistics results, the significant level is 0.000 that is under 0.01 and we can say that null hypothesis test is confirmed and research hypothesis is confirmed.

Table 7. Result of Pearson correlation coefficient

	Pearson coefficient	N	sig
involvement and knowledge sharing	0.406**	125	0.000

In the regression test, we consider knowledge sharing as a dependent variable and involvement as an independent variable. Correlation coefficient between involvement and knowledge sharing is 0.406 and significant level is 0.000 that under 0.01. So there is direct and significant relationship between involvement and knowledge sharing. The result is shown in the table 8.

Table 8. The result of regression coefficient

	R	R square	Adjusted R square	sig
involvement and knowledge sharing	0.406	0.148	0.144	0.000

The fourth hypothesis of the research is: there is significant relationship between mission and knowledge sharing. We have used Pearson correlation test to analysis the relationship between mission and knowledge sharing. The results indicate in table 9. Based on the statistics results, the significant level is 0.000 that is under 0.01 and we can say that null hypothesis test is confirmed and research hypothesis is confirmed.

Table 9. Result of Pearson correlation coefficient

	Pearson coefficient	N	sig
mission and knowledge sharing	0.399**	125	0.000

In the regression test, we consider knowledge sharing as a dependent variable and mission as an independent variable. Correlation coefficient between mission and knowledge sharing is 0.399 and significant level is 0.000 that under 0.01. So there is direct and significant relationship between mission and knowledge sharing. The result is shown in the table 10.

Table 10. The result of regression coefficient

	R	R square	Adjusted R square	sig
mission and knowledge sharing	0.399	0.159	0.154	0.000

Conclusion

According to our findings, there appears to be a strong link between organizational structure and knowledge sharing, which has previously been largely overlooked in the knowledge sharing literature. This case study supports the view that knowledge management is a social rather than a technical process and that the core task that organizations should be concerned with is managing met a knowledge, i.e. knowledge about knowledge, as well as making organizational knowledge accessible. In particular, we have emphasized three factors (trust, commitment, hierarchy and formal strength) that due to their double-edged nature in relation to knowledge sharing encourage us to look closer at the strategic and organizational context in which they appear.

In this paper, we then propose the necessity for organizations to consider the organizational culture implications of their change in business strategies and ensure a contextual understanding of the issues surrounding the changes. We also emphasize a balanced social and technical social framework based on our empirical data. Organizations must still deal with the use of technologies, but our findings indicate that it is the

social factors which are emphasized by the members of the organization. These must be considered without letting the technologies set the agenda for the organizational changes.

The implications of our findings suggest that an organization's knowledge management strategy, processes and practices should be integrated or balanced with business strategy. The double-edged factors of location, individual motivation and trust highlight the flexibility of knowledge sharing at an operational level (i.e. to meet requirements of change in strategy) but also the potential drawbacks and problems to be aware of.

Efforts to delineate the impacts of organizational cultural characteristics on knowledge sharing are an important subject in manufacture organization. The present study contributes to this growing research stream by examining the effects of Denison's four major organizational culture traits, involvement, consistency, adaptability, and mission, on three dimensions of Knowledge sharing. The study is conducted using data from manufacturing firm in Iran. It provides evidence with regard to a comment factory context that is structurally similar to but culturally disparate from those in most published research. The results of the conformity factor analyses are in line with the findings in partial least square (PLS) in that all four cultural traits are positively correlated in a significant manner with knowledge sharing.

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