CULTURAL ASPECTS OF KNOWLEDGE MANAGEMENT

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Abstract
The article discusses the importance of appropriate organizational culture for effective knowledge management in the organization functioning in knowledge based economy. Forming such a culture is complicated, long-lasting process, and the success is not guaranteed. What is more, role of the corporate culture for the effectiveness of the organization is very often undervalued by both managers and subordinates. Usually they don’t even possess sufficient knowledge on: what elements constitute and what factors influence organizational culture, how to manage such a culture, what connections are between organizational culture and knowledge management, what features a corporate culture supporting the knowledge management should have, what areas of the corporate culture are of special importance for the effectiveness of the knowledge management, etc. This article is supposed to respond to above specified questions and build awareness of the role of the organizational culture for achieving a success in knowledge management.

In the first part of this article, the concept of organizational culture has been briefly characterized, discussing such issues as: definition and elements of organizational culture, components influencing organizational culture, the management of the culture and ways that corporate culture and knowledge are linked. Further part of this article focuses mainly on the basic, complementing one another, elements of organisational culture supporting knowledge management, such as: cooperation, trust and continuous learning. The final part of the article includes findings resulting from theoretical considerations.

Key words: knowledge management, organizational culture, trust, cooperation, learning.


1. Introduction

In a knowledge-based economy, a tremendous increase in interest in issues connected with conception of knowledge management is observed. The reason of this interest is fact, that nowadays competitiveness of the organization to a large extent depends on the effectiveness of knowledge management, determined by various internal and external factors. Many practitioners of the management identify the knowledge management with using modern information and communication technologies. They take the view, that the more sophisticated ICT tools are used in the organization, the greater effectiveness of the knowledge management is being achieved. However, the author of this article is of the opinion that “soft” factors connected with organizational culture, such as trust, cooperation and continuous learning, to a greater degree decide on the success of knowledge management in the company.

The main objective of the following article is to build the awareness of the role of the organizational culture for the knowledge management effectiveness, as well as to point, what actions should be taken in a company in order to create the corporate culture supporting the knowledge management. Thorough studies of the literature devoted to organizational culture and knowledge management, as well as structure of the article were subordinated to the achievement of this objective.

The article includes theoretical bases concerning the corporate culture and its influence on the knowledge management, as well as guidelines on how to create and support elements of the corporate culture deciding on the success of the knowledge management, such as: cooperation, trust and continuous learning.
2. Organisational culture vs. knowledge management

Every organisation is different and has its own, elaborate way of functioning, which determines the behaviour patterns of its employees, way of working, methods of solving conflicts, promotion rules and many other issues. This phenomenon is referred to as organisational culture.

According to E. H. Schein, organisational culture is “[…] (a) a pattern of basic assumptions, (b) invented, discovered, or developed by a given group, (c) as it learns to cope with its problems of external adaptation and internal integration, (d) that has worked well enough to be considered valid and, therefore (e) is to be taught to new members as the (f) correct way to perceive, think, and feel in relation to those problems,” (Schein, 1990, p. 111).

The culture of an organisation comes into existence as a result of prolonged process of learning, gathering information and experience in the process of making choices concerning various aspects of enterprise functioning.

Organizational culture includes: values, norms and practices. Values indicate what people in an organization believe is worth doing or having. They indicate preferences for specific outcomes, behaviours, or expected achievements. Norms are the shared beliefs about how people in the organization should behave, or what they should do. Practices are the formal or informal routines used in the organization to accomplish work. They have specific roles and rules guiding how they are carried out (De Long, 1997, p. 6). Values have tacit character, norms’ observation and identification is much easier, whereas practices are the most visible symptom of the corporate culture.

The artefacts are important component of the corporate culture which distinguish the given organization out of other firms. Artefacts are the visible and tangible aspects of an organization that people hear, see or feel, such as: anecdotes, language, myths, legends, ceremonies, rituals, appearance, decor etc. (Armstrong, 2006, p. 308).

O. Serrat describes 10 components that influence organizational culture, such as: physical environment, customs and norms, ceremonies and events, rules and policies, goals and measurements, management behaviours, rewards and recognition, learning and development, communications, operational structure. Identifying these elements of culture allows organizations to determine features that can be managed to help implement and sustain organizational change (Serrat, 2009, p. 1-2).

The culture of an organisation has significant influence over the functioning of the organisation and the results it achieves. Corporate culture (Koźmiński et al., 2009):

- standardises people’s patterns of behaviour, increasing their predictability and replaces temporary control,
- ‘commonises’ employees’ aspirations, goals, hopes and concerns,
- enables people to interpret and assess the surrounding reality similarly.

Values, norms and rules which employees adopt from the culture of an organisation gradually inculcate in them, thus creating their intellectual capital.

The management of the culture of the organisation encapsulates two basic issues: the change of the culture and its maintenance and strengthening (Głuszek, 2004, p. 120).

Cultural changes in an organisation occur as a result of spontaneous and autonomic social processes as well as conscious influence. The factors which affect the change of culture include, inter alia, conditions for competition, partners, technological changes, changes in social structure, legal and environmental requirements as well as internationalization (Koźmiński et al., 2009).
Conscious change of company’s culture should be commenced with the identification of its current shape along with the determination of features of the desired culture, which corresponds with the company’s vision. The next step is to define necessary changes and appoint a person to introduce them as well as to promote new patterns of behaviour and attitude among employees (Głuszek, 2004, p. 121). However, it is worth bearing in mind that people’s attachment to believes they hold, norms, and customs causes that changes in organisation culture are only possible to some extent and the process itself is difficult and long.

Maintaining culture requires the adjustment of actions taken in the organisations to its values and norms. Managers play a vital role in this process. They should help employees to understand this culture and adjust to it.

Appropriate culture is one of the main determinants of success of knowledge management in the organisation, both within the field of used technologies and implemented practices and processes. Inappropriate culture can be a substantial obstacle, which will prevent implementation, as well as effective knowledge management. It means that if organisations want to implement knowledge management they must take such actions which will shape organisational culture so that it supports KM.

D. De Long describes four ways that culture and knowledge are linked (De Long, 1997, p. 8-26):

- culture shapes assumption about what knowledge is, and what knowledge is worth managing,
- culture mediates the relationships between individual and organization-level knowledge,
- culture creates a context for interaction that determines the value derived from knowledge,
- culture shapes the processes by which new organizational knowledge is captured, legitimated, and distributed,
- culture shapes the organization’s reaction to new knowledge.

Organisational culture determines social context, which consists of norms and habits. The social context defines rules of knowledge management, namely what knowledge and who should gather, store, share, and use to the benefit of the organisation (Figure 1). Social context is a medium which transposes basic values and believes in specific knowledge management behavioural patterns (Leider, Alavi, Kayworth, 2006, p. 21).

![Diagram of organisational culture and knowledge management behaviors]

**Figure 1. The impact of organizational culture on knowledge management behaviors**

Source: Leidner, M. et al. (2000). The Role of Culture in Knowledge Management, p. 21
The culture of organisation has an impact on what tools, procedures, processes etc. are implemented in the process of knowledge management. The aforementioned tools, procedures and processes will take effect only if they are compatible with ‘the character’ of the organisation.

Understanding the connections between culture and knowledge management is a starting point for the description of culture supporting KM in the organisation. Such culture should:

- make people realise the significance of knowledge,
- promote goals compatible with knowledge management goals,
- encourage learning,
- express care of all the stakeholders of the organisation,
- favour knowledge sharing,
- create a sense of community,
- support openness and honesty,
- create appropriate atmosphere for experimentation,
- promote teamwork,
- give freedom of action,
- support creativity, innovativeness and variety,
- tolerate mistakes within a reasonable range.

Basic, complementing one another, elements of organisational culture supporting knowledge management are as follow:

- cooperation, which facilitates knowledge sharing among employees,
- trust, which increase the chances of sharing own tacit knowledge,
- continuous learning, which determines the development of knowledge and skills.

3. Influence of the confidence on the knowledge management

There are many approaches and definitions of trust, coming from different scientific disciplines. R. C. Mayer and others perceived trust as “The willingness of a party to be vulnerable to the actions of another party based on the expectation that the other party will perform a particular action important to the trustor, irrespective of the ability to monitor or control that other party,” (Mayer at al., 1995, p. 712).

The willingness of the trustor to be vulnerable to another party depends on both: his propensity to trust other people in general and his perception that the trustee is trustworthy (Mayer, Davis, 1999, p. 124).

There are three factors of trustworthiness: ability, benevolence and integrity (Mayer at al., 1995). Ability is a group of skills, competencies and characteristics that allow a party to have an influence within some field. Benevolence is the extent to which a trustee is believed to share the trustor’s values. Integrity means that the trustee confesses and acts according to the values that are acceptable to the trustor.

According to Great Place to Work Institute trust is composed of three dimensions: (www.greatplacetowork.com).

1. Credibility – means that managers regularly communicate with employees, and requires that words must be followed by action,
2. Respect – means that managers treat employees as the partners, appreciate good work, foster the collaboration in company and create appropriate work environment.
3. **Fairness** – means that economic success is shared equitably, everybody receives equitable opportunity for recognition, decisions in the area of HRM are made impartially, there is no discrimination and processes for appealing and adjudicating disputes are clear.

Model of trust is presented in Figure 2.

![Figure 2. Trust model](www.greatplacetowork.com)

Organizations where superiors and subordinates experience high level of mutual trust, achieve significant benefits. Companies of high trust “(...) perform better in strong economic times, lose less in weak economic times, and recover faster to pursue new opportunities during times of renewal,” (Lyman, 2009). Such organizations receive better qualified job applications for open positions, achieve a high level of customer satisfaction and loyalty, facilitate innovation, creativity and risk taking, achieve greater productivity and profitability, and are perceived as trustworthy for clients and customers (Lyman, 2008).

People in companies based on trust are more likely to communicate each other, cooperate more successfully, believe in organization’s vision of the future, see management as competent at running the business, believe that superiors are reliable, act with integrity and treat them fairly in the area of HRM, are involved in collaborative decision-making activities, are more creative, look forward to going to work, are willing to help each other and are proud of where they work (www.greatplacetowork.com).

Trust management is a method of management which consists in inspiring, maintaining, developing and restoring trust to achieve goals of organization in efficient and effective way. These processes include various activities undertaken by all people at all organizational levels, but the key role in implementing these processes play managers (Figurska, 2011, p. 232).

Trust **inspiring** in a company is the excitation of confidence in mutual relations. A very good way of inspiring trust among newly hired employees is welcoming them into the workplace. It develops their relationships with subordinate and co-workers, shortens time of their less effectiveness and enables communication. Trust **maintaining** encloses actions and behavior that prevent the loss of confidence in an organization. This process requires mutual
honesty, respect, loyalty and behavior in accordance with organizational norms and values. Development of trust in a company is a process during which mutual trust is deepening and broadening. Employee’s trust development may take the form of: trusting a new person, the extension of the confidence in a person towards new areas, deepening the trust in a person in a specific area (e.g. professional area) and increasing self-confidence (Figurska, 2011, p. 232).

Trust develops over time and passes through successive levels. First level of confidence is calculus-based trust, on which people compare benefits and costs which can be a result of trust and their relationships are based on control. Knowledge-based trust is based on information. At this level an individual has enough information and understanding about another person to predict his behavior. Identification-based trust is based on knowing and predicting another person’s needs and preferences. Partners know their wishes, intentions, plans and identify with them (Lewicki, Bunker, 1996).

In order to develop trust, managers should allow employees to communicate with each other, decentralize processes of making decisions and allow employees to learn from mistakes giving them the second chance when they failed in some field (Pfeffer, Sutton, 2002, p. 117).

Trust restoring means rebuilding trust after its loss. Confidence is a bond, which requires time and good will, but very easy and fast can be broken. The process of restoring the trust is long-lasting and success is not guaranteed (Figurska, 2011, p. 232). To regain the confidence one should apologize, take responsibility for the situation and act in accordance with common values and norms.

Superiors have a big influence on trust that employees present in organization. Building a confidence is a fundamental ability of effective leader. Employees, who know that superiors trust them, are more willing to share knowledge and widely understood cooperation. In organizations based on trust the managers act ethically, living out their values both through their interactions with employees and through the trustworthiness of their business decisions (www.greatplacetowork.com).

To sum up, if an organization wants to increase its competitiveness through effective knowledge management, it must create corporate culture based on trust. Confidence requires consistency between what is thought, said and done. This rule applies to both superiors and subordinates. Special role in creating trust in the company play managers. Their effectiveness in this area on the one hand depends on factors directly related to manager, such as his propensity to trust other people, personality, knowledge, abilities, honesty, benevolence, predictability and style of acting, on the other hand depends on organizational factors, such as corporate culture, organizational structure, practices of team management etc.

4. Cooperation and competition vs. knowledge management

A lot of factors affect positively the effectiveness of knowledge workers – organisation of workstations, appropriate software, processes, etc. Nevertheless, any of them has no influence on individual’s willingness to interact with other people. In the other words, we mean willingness to cooperate.

Cooperation is “[…] harmonised cooperation of individuals or groups of people doing parts of a given task in order to achieve a common goal, which they all identify with. Every cooperation is based on efficient interpersonal communication, ability to deal with conflict situations, mutual trust and loyalty as well as on defining rules and measures protecting the interests of all partners,” (http://portalwiedzy.onet.pl).

Climate for cooperation refers to culture elements shared by the members of the organisation and it is perceived as one of the main factors affecting the effectiveness of work
based on knowledge. K. E. Sveiby and R. Simons point out that collaborative climate is influenced by (Sveiby, Simons, 2002):

- organizational culture, in particular such its elements, as: feedback, active encouraging to sharing knowledge, views and reflections, encouraging employees to contributing own knowledge to the team, open communication,
- immediate supervisor, through keeping people informed, organizing regular meetings, encouraging employees to: open communication, creative problem solving and knowledge sharing,
- employee attitudes, that find a reflection in learning a lot from other people, accepting their knowledge, as well as its connecting with own knowledge and using it in action for the good of community (team, department, organization),
- work group support, manifesting itself with sharing knowledge with partners, and mutual assistance to keep all members up to date with current events.

The superiors, therefore, should undertake actions aimed at creating the climate of cooperation in the organisation by means of e.g. talk rooms, reward system optimisation, creation of friendly atmosphere management through goals, decentralisation and increased employees’ participation in the management process (Sveiby & Simons, 2002; Nejad & Saber, 2012, p. 552).

The ability to build effective collaborative relationships and mutually supportive work environments has a direct impact on organizational effectiveness. Complexity of tasks and a level of interdependency among employees determine an indispensable degree of collaborative skills in order to perform well. Strong collaborative skills leverage the effectiveness of all relationships and environments, particularly among team members and between departments, customers, suppliers, partners etc. Mentioned collaborative skills are (Tamm, www.radicalcollaboration.com):

A. Collaborative intention – individuals are able to maintain an authentic, non-defensive presence and make a personal commitment to mutual success in their relationships.
B. Truthfulness – individuals create a climate of openness that allows all people in the relationship to feel safe enough to discuss concerns, solve problems, and deal directly with difficult issues.
C. Self-accountability – individuals take responsibility for the circumstances of their lives, the choices they make, and consequences of their actions.
D. Awareness of self and others – individuals commit to knowing themselves deeply and they seek to understand the concerns, intentions, and motivations of others.
E. Problem solving and negotiation – individuals use problem-solving methods that promote a cooperative atmosphere and support mutual gains in relationships.

Although it is commonly pointed out in publications that cooperation has a positive impact on knowledge, some authors maintain that moderate competition may also be of benefit to the organisation.

Rivalry is being defined as „(...) aggressive, possessive proceedings, it is a fight, in which opposite sides are aspiring for triggering such a sequence of events (...) which enables achieving the purpose put for oneself, in addition this purpose can only be achieved by one of participants of rivalry,” (Miller, 2000, p. 32).

There must be conducive circumstances for the rivalry to occur in the organization. People who want to compete, in this case, competing entities are required. There must also be the subject of competition, which means a state or a good that is the purpose of competition. Another determinant that causes the competition is probability of achieving success (Figurska, 2010).
Another factor that may induce workers to compete, is applying in motivating human resources methods, which are benefiting the best employees from a point of view of the defined criterion. Such methods may be used for example in the assessment of the employee or the remuneration.

The purpose of rivalry between employees may be the preservation of the post, they may also compete for: achievements, power or autonomy (Lipka, 2004, p. 38-49). Participation in rivalry for achievements and autonomy is determined by possessing by its participants certain characteristics of knowledge workers: unique qualifications, readiness for learning, creativity and innovation, information management skills, ability to motivate themselves and control their own activities, self-diagnosis of knowledge and motivation, flexibility and willingness to take risks. Possession of these characteristics and their severity determine the possibility of obtaining an advantage over rivals.

Not all researchers agree on the consequences of competition. Some consider that the rivalry may bring both positive and negative effects. Positive consequences of competition are: positive impact on the competitiveness of the organization, increasing opportunities for the organization in emergency situations, elimination of weaknesses in teamwork, the possibility of its use in conflict management and the ability to meet the needs of individuals due to competition (Lipka, 2004, p. 59-69).

However, the negative consequences of rivalry are: drop in effectiveness of the organization, the dangers in carrying out conceptual work, favouring pathologies, threats of the psychological nature (Lipka, 2004, p. 71-81). Other negative consequences are: increased isolation of workers, deterioration of interpersonal relationships, negative influence on the participation of employees in managing the organization, problems with knowledge sharing, increased risk of making mistakes, growing conflicts, communication disorders, shaping aggressive attitudes and hiding information.

It is worth noticing that rivalry has other influence on the performance of routine tasks, and other on the performance of innovative tasks, requiring from employees creativity and innovations. The learning process of the employees is faster, and they are more creative and innovative, when they aren’t working in the presence of rivals. Competition interferes with the learning and the creativity, because in the atmosphere of rivalry workers are less focused on the task, and more on what rivals are doing. Such rivalry is a particularly disadvantageous process when complex and difficult works are carried out, requiring the assistance of others and sharing knowledge.

In those business areas where learning is required and where there is any interdependence, individual incentives and internal rivalry impede knowledge sharing, cooperation and mutual assistance (Pfeffer, Sutton, 2002, p. 172-174).

5. Learning as element of knowledge based organizational culture

Culture which supports and encourages learning has significant importance to the success of knowledge management processes in the organisation. Learning = “(…) it is a process of gaining and storing experiences which then result in new forms of behaviour and action or previously gained patterns of behaviour and actions are modified. As a result of learning the entire system of knowledge, skills, habits, believes is mastered,” (http://portalwiedzy.onet.pl).

In dynamically developing surrounding, learning conditions permanent competitive advantage both in reference to employees and to organisation (Parsloe, Wray, 2003, p. 27). It has an impact on workers’ effects, increases acceptation for necessary changes in the organisation. Learning allows organisation to improve the quality and number of results and lower the number of mistakes and limit wastage (McKenna, Beech, 1997, p. 200).
If the learning process is to be effective, the employees must show readiness to learn. The aforementioned readiness is determined by knowledge and skills needed to learn new things as well as by the ability to recognise and appreciate the need to learn and its benefits.

Stimuli encouraging employees to learn include both the needs recognised by the employees themselves (e.g. comparing their knowledge with other employees’ knowledge) and the needs recognised by other people (e.g. imposed by means of specific regulations defining a given activity), (Evans, 2005, p. 147).

Employees’ motivation can be increased if their goals are clearly set and they are allowed to choose training programmes (Lundy, Cowling, 2000, p. 267). The willingness to learn to a large extent depends on how a given person perceives themselves, their previous learning experience, goals and expectations, opportunities to learn or obstacles preventing it (Evans, 2005, p. 146).

The role of the organisation is to create environment that facilitates the process of permanent learning, such environment in which there is time for reflection, analysis, the exchange of experience, opinions and ideas is stimulated. Employees are not afraid to ask questions and express their opinions, they are encouraged to take a risk and experimenting, making mistakes is considered to be a part of learning process (Armstrong, 2005, p. 488). There are many methods of learning, which include the following (Evans, 2005, p. 147-150):
- working collectively with co-workers,
- observing other specialists at work,
- self-training groups,
- using sources of explicit knowledge (e.g. books),
- participating in conferences and training sessions,
- participating in ventures not connected with work,
- analytical reflection.

The best results are attributed to learning through experience thanks to which theoretical knowledge is acquired, understood and used a lot better, which motivates employees to learn further. Learning through experience people engage themselves emotionally and cognitively, therefore, such learning yields better results. D. Kolb proposed a learning cycle (Figure 3) that consists of four subsequent stages (Kolb, Boyatzis, Mainemelis, 2000):
  - First stage – becoming aware that something has happened,
  - Second stage – seeking answers to what happened and how it happened,
  - Third stage – defining why it happened,
  - Fourth stage – attempting to define how this can be put into practice.

Learning within the organisation consists in creating new knowledge or opinions, which may affect patterns of behaviour in the organisation. They can be described as three-stage process: acquisition, dissemination, and collective implementation of knowledge (Armstrong, 2005, p. 480-481).

As far as knowledge workers are concerned significant importance must be attributed to so called self-regulation in learning. It consists in taking responsibility for managing one’s own actions and learning independently with the intention of achieving previously set goals. The employee defines the frames of the learning process himself, sets tasks and executes them within specific deadlines, monitoring the progress; he also carries out self-assessment and control (Reiter, www.lideredukacji.pl).

C. Argyris points out majority of people makes two fundamental mistakes, which prevent learning. First of all, they usually identify learning with solving problems that occur in external environment, yet they often give cause for problems. The other mistake consists in the assumption that encouraging people to learn is just a matter of motivation, while the
efficiency of advanced learning is a reflection of their thinking. That is why critical analysis and the change in one’s reasoning and acting is a starting point for effective learning (Argyris, 2006, p. 96-98).

Learning faces various obstacles in reality, one of them is a fear of change or anxiety that it will not rise to a challenge and lead to failure. Overcoming these barriers is condition to build organisational culture which will favour learning. To achieve these appropriate organisational and physical conditions, there must be created in order to facilitate formal and informal learning.

6. Conclusion
Above dissertations are leading to certain conclusions:

- organisational culture and knowledge management remain in a close connection; on the one hand appropriate culture is one of the main determinants of KM effectiveness, on the other hand knowledge management evolves with time and starts to reflect the value of the organisation, becoming a part of its culture;

- in the knowledge based economy development of the organization is only possible in the atmosphere of mutual trust, collaboration and learning, which should be rooted in corporate culture;

- above mentioned elements of the organizational culture are conditions of employees’ involvement in knowledge management and increase effectiveness of KM processes, for example – when employees share common values, beliefs and set themselves common goals, human interactions and collaboration in organization become easier, and have positive impact on sharing knowledge and using it in actions;

- the main role in creating the corporate culture supporting the knowledge management perform managers; they should make themselves aware of the significance of the corporate culture, and then take actions aimed at the building culture supporting the knowledge management, using for that purpose available tools and instruments (e.g. from the area of the personnel management); they should also present proper behaviour, setting a good example to subordinates, and support
them in their activities connected with their participation in knowledge management processes.

Building a culture, that supports knowledge management in the organization, is a complex problem. The following article doesn’t deplete the topic and is only a basis for further considerations.

References:

[31] www.greatplacetowork.com

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