Role of Knowledge Management in Organizational Culture in Pakistan

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Abstract
The basic objective of this research is to investigate the different factor which influenced the Knowledge management. The variables included in this paper are knowledge creation, trust, formulization, collaboration, learning, innovation, and rewarding staff. The study is beneficiary for the organizations which participate in the process of learning new ideas and technology. Data has been collected through questionnaire. Linear regression model techniques are used to examine that the organizational culture affected by these variables. The study conclude that the rewarding staff, formulization, trust and innovation have direct impact on organizational culture and remaining two variables learning and collaboration have no impact on organizational culture according to data collected from the organizations.

Key word: Collaboration, Formulization, Innovation, Knowledge creation, Learning Trust, Rewarding staff.

1. Introduction:

Knowledge management is the continuous cycle of occurring, managing, changing and utilizing the available data and skills within an organization. KM is considering as gathering, allocation and proficient use of knowledge resources. According to Bounfour (2003) KM is a combination of actions, scientific and managerial tackle designed in the direction of gathering, information and knowledge within and outside the organizations.

Organizations are predisposed by the socio-cultural circumstance (Hofstede 2001). Organizational culture builds by the actions and ethics that people in an organization is expected to share and follow. There are three stages of knowledge management cycle that of knowledge generation, knowledge storing and knowledge utilization. Knowledge management may also be described as a framework. One frame work categorizes the knowledge into tacit and explicit knowledge. Tacit knowledge describes internalized knowledge that an individual not consciously aware of, such as how he or she complete successfully a task. The other is explicit knowledge which can be processed by information systems, codified and recorded, archived and protected.

One element which basically influences the firms to manage knowledge is organizational traditions. Hofstede, G. (1984) "Culture is the collection of programs relates with the mental activities which distinguishes the members of one category of people from another." Culture consists of the organization behavior, visions, shared values, operational methodology, systems, beliefs, and habits. It is also the pattern of such collective behaviors and assumptions that are taught to new organizational members as a way of giving knowledge, and even thinking and feeling about the working and culture of the organization. Ravasi and Schultz (2006) write about culture as organizational culture is a set of statement that analyze suitable behavior for various situations Organizational culture affects the way people and groups interact with each other, with the inside and outside customers and interested parties of the firms. Culture becomes a source of competitive advantage. Values, beliefs, and company work system build up the culture of the organization.

The basic objective of this paper has been to examine the effects of Trust, Learning, Collaboration and Formalization, rewarding staff, work satisfaction with regard to Knowledge Creation. Collaboration is a composite concept with different attributes. Variety of ways, many of them clearly is referring to interdisciplinary collaboration (Henneman, Lee, & Cohen, 1995). Collaboration is a process of achieving a shared goal of the organization by the employees of the firm collectively. Formulization is also known as the systematic guide line for working and better output of organization. Formulization is defined as the procedure, rules, regulation and the policies under which the organization allow their workers to perform their duties. By law Using standardized, written statements and policies to administrate employee performance, an organization builds the work roles comprehensively. The formalized structure of an organization consists of a system, top to bottom communication and decision-making (Schatz, 1999). Learning is a continuous art seeking, converting and extracting the ideas from existing knowledge, experience and information. Human beings can learn through education, personal information and from training given by the organization. The ability to learn is possessed by humans. Progress over time tends to make an individual perfect. Learning may be for output and may be aided by motivation. Learning by psychologist Chris Argyris, discovering and modifying of error. An error is "any no resemblance between our purposes and what happens in real.

Walter Bamberger, (2010) defines simply that the trust is a word of everyday speech. Everyone knows it and has formed it during integration in her/his linguistic environment, the meaning of the trust varies among individuals.

2. Literature review:
Tzai-Zang Lee & Ya-Fen Tseng from Taiwan examined the eight dimensions of organizational culture as staff-oriented, achievement-oriented, innovative, analytical, social relationships, rewarding staff, stable work environment and demanding. This study adopted the listed and emerging electronic companies of Taiwan. 144 effective responses (21.18%) were collected from these organizations and the study concluded that entire dimensions have positive influenced on organizational culture.

Hofstede et al. (1990), this study is on the organizational culture in Denmark and Netherland. Data was collected through surveys, questionnaire and interviews from the different organizations selected for data collection. This study concluded the six dimensional model of organizational culture defined as perceived commons of practices and values of the organization.

Joanna Paliszkiewicz, Alex Koohang, study on trust in organization. The study concluded 469 managers from 287 companies for data collection purpose. A total of 468 data was used in for completion. Finally, regression analyses were used to find out the contribution. The analyses were followed by results, argument, and suggestion for future research.

James belanich, Robert a. wisher and Kara lorvis they studied on online collaboration to increase the importance of collaboration. A questioner was developed for understanding how individuals feel easy to work in a group or as in collaboration for the goals of organization. Questions and answers are important for collaboration. The data was collected from different schools at U.S.A. their findings outcome is that some questions were make for the respondents for learning and collaboration purpose they can easily performed their job by collaboration.

Nonaka (1991) defines knowledge as suitable faith. Beliefs are utilized to give understandings for self-interest. Firms must pay attention on inside learning to increase knowledge in order to achieve continuous improvement for longer time period (Baker and Sinkula, 1999).

De Jarnett (1999), KM consisting of knowledge conception, followed by knowledge clarification, sharing, use, custody and modification.

A variety of studies were conduct on the knowledge creation and transfer, most of them have paying attention on the source and state of knowledge (Alavi & Leidner, 2001) and not much has been paid to look at conditions and organizational cultures that assist knowledge creation and transfer within organizations.

Learning organizations include of fixed systems to control and share knowledge (Marsick & Watkins, 2003; Watkins & Marsick, 1993). Well developed and learning organizations facilitate their workers to learn knowledge and modified it himself and create new ideas from that knowledge. (Peddler et al. 1996). Some researchers (Allee, 1997; Nonaka & Takeuchi, 1995; O'Dell et al. 1998; Sverlinger & Szulanski, 2000) have tried to simplify the process of knowledge conveying and conception. However, Nonaka (1994) argued that knowledge can be formed, collective, enhanced, and essential via mutual, public processes.

Trust facilitates open, substantive and significant knowledge exchange. When trust is high, the individuals are close to each other for participating, gaining, sharing and modifying the knowledge. (Nathalie & Ghoshal, 1998).

Open and flexible systems are required for effective knowledge management to taken the required output (Ichigo et al., 1998). The planned and homogeneous actions are required to detain, organize and attach knowledge.

A knowledge management system is expected to facilitate inventions and innovations and provide competitive advantage to an organization. If knowledge were to provide competitive advantage to an organization, knowledge workers from different functional areas should individually and collectively contribute towards knowledge management People from corporate strategy has to think through what kind of unique knowledge organization has or requires to achieve its vision, mission and business goals (Hansen et.al, 1999). A good reward system should help an organization to manage a balance between knowledge generation and knowledge usage. Reward system should nurture and facilitate team work.

Harrison and Leitch (2000) advised that in order to compete with the competitors organizations must continuously update their knowledge resources. Knowledge storage is defined as how an organization captures and stores the different units of knowledge in such a form that give a variety of category and label, to the input data (Zack, 1999).

3. Methodology

The aim of the study is to identify the consequence of Organizational culture (Trust, formalization, learning, Collaboration, innovation, and rewarding staff) on Knowledge management. In the study primary data was used and collected through questionnaire from sample size of 120 respondents including Bankers, telecom sector, teachers and students of finance. 120 questionnaires were received back out of 150, the rest were uncollected.
Questionnaire consists of 7 sections. The each section is for a variable including the questions that are relates to each variable of my study. Questionnaire consists of 35 questions, 5 question for measuring of each variable. Sample size in the study included 28 male and 28 female from banking sector, 36 males from teaching sector and 28 females from teaching sector give responses in our study. In which 68 respondents were married and 28 were single. SPSS software has been used for data analysis.

3.1. Hypothesis:

H1: Trust has significant relationship with knowledge creation

H2: Formalization has direct impact on knowledge creation.

H3: Collaboration has significant relationship with knowledge creation.

H4: Learning has direct influenced on knowledge creation

H5: Innovation has significant impact on knowledge create

H6: Rewarding staff has direct relationship with knowledge creation

3.2. Theoretical Framework:

![Diagram of theoretical framework]

Figure: 1.1

4. RESULT AND DISCUSSION

<table>
<thead>
<tr>
<th>Reliability Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cronbach’s Alpha</td>
</tr>
<tr>
<td>.781</td>
</tr>
</tbody>
</table>

Table: 1.1

Cronbach alpha is used to measure the reliability and validity of data. The overall Cronbach’s alpha of the questionnaire is 0.781.

\[
Y = \alpha + \beta \text{ (Trust)} + \beta \text{ (Rewarding staff)} + \beta \text{ (Formulization)} + \beta \text{ (Innovation)} + \beta \text{ (Learning)} + \beta \text{ (Collaboration)}
\]
Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.745a</td>
<td>.556</td>
<td>.532</td>
<td>3.41562</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Innovation, Formulization, Trust, Learning, Rewarding staff, Collaboration

Table: 1.2

This result shows that 55.6% change in the dependent variable is due to independent variable. The variation in the knowledge creation 55.6% is predicted due to collaboration, learning, trust, formulization, innovation and rewarding staff. 44.4% change is due to that variable that is not included in this study. It is close to 0.7 due to which we can say that model is moderate for prediction of knowledge creation.

ANOVA

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>1647.690</td>
<td>6</td>
<td>274.615</td>
<td>23.539</td>
<td>.000</td>
</tr>
<tr>
<td>Residual</td>
<td>1318.310</td>
<td>113</td>
<td>11.666</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>2966.000</td>
<td>119</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Knowledge creation

Table: 1.3

The table of analysis of variance shows that model is fit because the P-value is less than α. It means that all independent variables have impact on dependent variable.

Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>1.487</td>
<td>3.397</td>
<td>.438</td>
<td>.662</td>
</tr>
<tr>
<td>Formulization</td>
<td>-.380</td>
<td>.088</td>
<td>-.282</td>
<td>.000</td>
</tr>
<tr>
<td>Trust</td>
<td>.280</td>
<td>.087</td>
<td>.248</td>
<td>.002</td>
</tr>
<tr>
<td>Rewarding staff</td>
<td>.229</td>
<td>.070</td>
<td>.244</td>
<td>.002</td>
</tr>
<tr>
<td>Collaboration</td>
<td>.087</td>
<td>.112</td>
<td>.075</td>
<td>.772</td>
</tr>
<tr>
<td>Learning</td>
<td>.111</td>
<td>.086</td>
<td>.107</td>
<td>.200</td>
</tr>
<tr>
<td>Innovation</td>
<td>.532</td>
<td>.095</td>
<td>.486</td>
<td>.597</td>
</tr>
</tbody>
</table>

• Dependent Variable: Knowledge creation

Table: 1.4

A finding of table shows that all independent variables play significant role in the KM. β is the rate of change in Km due to the change of 0.662, 0.000, 0.002, 0.002, 0.442, 0.200, and 0.000 in independent variable. On the basis of given data formulization, trust, rewarding staff and innovation has more influence on the KM and collaboration and learning has no impact on knowledge creation because P-value greater then α =0.05. So, 3rd and 4th hypothesis are rejected.

5. Findings and Conclusion:

The result showed positive and considerable relationship between these variables and knowledge creation. Formulization, Trust, Rewarding staff and Innovation have more impact on knowledge creation than Learning and Collaboration. The findings of this study supported to hypothesis 1st, 2nd, 5th & 6th and reject the 3rd and 4th hypothesis.
The study aimed to investigate the effect of variables on knowledge creation. The study conclude that the formulization, trust, innovation and staff rewarding have impact on knowledge creation and remaining two variables have no impact on it. The previous study support this study as in Pakistani organizations it is a new emerging idea that provides the ways to keep organization within according to the change in time duration relative to other organizations inside or outside the country. The result of the research help knowledge managing researchers as well as practitioners develops a better accepting of the role of organizational culture and victorious completion of knowledge management process. Management, while making and mounting strategies and policies and training courses, the current study may give basic and strong guidelines to know the problems and issues of knowledge management and culture. Further study could make more research and explore this research to improve and develop this introduction of KM and its culture in our context.

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