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Knowledge Management from Organizational Culture Perspectives

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Abstract

This paper examines organizational culture perspectives to demonstrate their importance on knowledge management. Also, it is aimed to link three perspectives of organizational culture (Integration, Differentiation, and Fragmentation) to knowledge management. The conclusion suggests several implications of this paper and future research.

Keywords: Knowledge Management, Organizational Culture Perspectives, Integration, Differentiation, and Fragmentation.

1 Introduction

Knowledge Management (KM) as “an extremely valuable resource” (Drucker, 1995; Nonaka, 1995, cited by Pauleen et al., [17]) has become a hot topic since 1995 [9]. Culture has received considerable attention in the KM studies as one of the most conditions for success of KM in organizations [7]. However, as Kroeber and Kluckhohn counted that it existed 164 different definitions on culture, cultural management can be considered from different levels and issues [2]. Organizational culture among various levels of culture (national level, sub-cultural level such as professional or occupational level) plays an important role in KM activities. The importance of organizational culture in KM initiatives was recognized by Scarbrough and Swan when describing the cases studies in KM [19]. In 2000, the research of De Long and Fahey noted that “organizational culture is widely held to be the major barrier to creating and leveraging knowledge assets” [5]. In 2006, Plessis also described the impact of organizational culture on KM as “a specific environment needs to be created to foster

KM” [18]. Recently, Pauleen *et al.*, have explored the relationship between organizational culture and knowledge management by proposing a model to explain that “organizational culture may mediate the effects of national culture on knowledge sharing behavior in individuals through its influence on the values and attitudes of individuals” [17].

However, Chin-Loy and Dastoor noted that “the influence of organizational culture on KM is not simple relationship” [3]. To date, given three perspectives of organizational culture are very important, the existing literature has overlooked their linkage to KM as well as the importance of using these perspectives for KM. Therefore, the purpose of this paper is to explore this relationship by using three perspectives of organizational culture recognized by Martin to apply to KM as a new view of the linkage between organizational culture and KM.

The present paper consists of three main sections. Firstly, we describe three perspectives of organizational culture reported in the literature. KM is also described in the second section as a background for the linkage of three organizational culture perspectives and KM in the third section. Finally, the conclusion suggests future work from this preliminary study of the connection between three perspectives of organizational culture and KM.

2 Background

2.1 Organizational culture perspectives

Martin described three perspectives of organizational culture including Integration, Differentiation and Fragmentation [13]. The Integration Perspective is explained as a strong culture where members in organization share their personal values to “be useful for generating loyalty, commitment, productivity and financial effi-

ciency". The Differentiation Perspective describes inconsistencies, conflict or sub-cultural differentiation. The Fragmentation Perspective is considered an orientation of ambiguity. According to Martin, Integration can be seen as "an oasis of harmony and homogeneity", Differentiation as "a separation and the possibility of conflict" and Fragmentation as "multiplicity and flux" [12]. Harris and Ogbonna argued that Martin's three perspective approaches to understanding organizational culture were not only significant in theory but also important in practice. They even noted that Martin's framework was an "analytical depth" being a comprehensive way to understanding organizational phenomena [7]. These three perspectives were even recognized by Keyton as "multi-perspective view of organizational culture" [10]. Recently, Fenton and Inglis emphasized that using Martin's three perspective framework provided "a valuable analytical lens to explore and understand the meanings that people ascribed to organizational values". In view of the above, this paper is based on Martin's work to interpret how organizational culture connects to KM.

2.2 Knowledge Management

It should be noted that KM has been seen in different ways in the existing literature. However, I choose Nonaka and Takeuchi's SECI model in particular and their KM definition in general as theoretical resources of KM as Bahra pointed out that Ikujiro Nonaka was considered as one of "the most highly respected and paid professors" by Harvard Business Review on Knowledge Management in 1987 [1] and The Knowledge-Creating Company is "one of the most cited theories in the KM literature" [21],

In their book "Hitotsubashi on Knowledge Management", Takeuchi and Nonaka defined KM as "the process of continuously creating new knowledge, disseminating it widely through the organization, and embodying it quickly in new products/services, technologies and systems" [21].

The SECI model (socialization, externalization, combination and internalization) is to describe the idea about the process of knowledge creation. In the first stage, the socialization of tacit transforms to knowledge that can be codified and transferred from tacit to explicit in the second stage called "externalization". The third stage is

to combine different externalized knowledges in the previous stage. This combination increases the amount of tacit knowledge which will be internalized in organization. The socialization of this new tacit knowledge is a virtuous circle which is considered a process of knowledge creation.

Takeuchi and Nonaka also proposed a "middle-up-down" management model as "the more effective means of managing creative chaos within the organization" [21]. In this paper, they wrote as follows:

Top management provides a sense of direction regarding where the company should be headed and articulated the vision or dream ("What ought to be") for the company, while front-line employees down in the trenches look at reality ("What is"). The role of middle managers is to resolve the contradiction between what top management hopes to create and what actually exists in the real world.

Nonaka and Toyama argued that "knowledge is created through the synthesis of the contradictions between the organization's internal resources and the environment". Using the structuration theory, they explain "how knowledge is created through the interaction between tacit and explicit knowledge, and between the organization and the environment" [16].

Considering KM in this sense, especially knowledge creation process as stated above, one may link KM to three perspectives of organizational culture as further discussed in the next section.

3 Linking KM to three organizational perspectives

Martin has applied all three perspectives of organizational culture to variety of case studies [13]. The Integration Perspective can be applied to top management's point of view to "see their values and policies shared and followed". The Differentiation Perspective can be applied to middle managers as a distance of top management. The Fragmentation Perspective can be applied to newcomers and workers as the ambiguity.

Returning to the "middle-up-down" management model, Takeuchi and Nonaka emphasized the importance role of middle managers as "leaders of a team or a task force, in a process involving a spiral interaction between the top and front-line employees". This model also "puts middle

managers at the very center of synthesis building” though knowledge is created. Hence, the Differentiation Perspective is considered a tool to create knowledge creation via middle managers. Kusunoki even noted that “most existing research on management of innovation is based on the premise of the conventional idea of organizational differentiation” [12]. In addition, Martin pointed out that “from the Differentiation perspective, cultural change is localized within one or more sub-cultures, alterations tend to be incremental, and innovations are triggered primarily by pressures from an organization’s environment” [13].

When describing four modes of SECI model, Nonaka and Takeuchi discussed “various perspectives in organizational theory”. According to Nonaka and Takeuchi, socialization may be congruent with the theories of group processes and organizational culture. However, among three perspectives of organizational culture, they have not suggested which perspective can be connected with socialization process. Referring to the explanation of Nonaka and Toyama about the socialization process, “in which new tacit knowledge is converted through shared experiences in day-to-day social interaction” [16]. They also emphasized that because tacit knowledge “is difficult to formalize and often time and space-specific, it can be acquired through shared direct experience such as spending time together or living in the same environment”. This characteristic of socialization process is closely related to the Integration Perspectives describing the same value sharing of members in organization. Moreover, they even mentioned that the stage of externalization phase is integral because “the externalization of knowledge often helps people to see that the same phenomena can be viewed in many different and contrasting ways. Nonaka and Toyama also described the externalization process “through dialogues, “contradiction between one’s tacit knowledge and the structure, or contradictions among tacit knowledge” [16]. These contradiction are much caused by the difference of sub-cultures such as different jobs, different levels which are described as the Differentiation Perspective of organizational culture. In addition, Differentiation Perspective can be applied to the use of metaphor to convert tacit knowledge into explicit knowledge. Metaphor is defined by Nonaka as “a distinctive method or perception”. Nonaka also explained

the efficiency of metaphor as “a way for individuals grounded in different contexts and with different experiences to understand something intuitively through the use of imagination and symbols without need for analysis or generalization”. The Differentiation Perspective of organization culture refers to these different contexts and different experiences.

In enabling conditions for organization knowledge creation analyzed by Nonaka and Takeuchi fluctuation and creative chaos are the conditions for promoting the knowledge spiral. When fluctuation appeared, the members in organizations “face a breakdown of routines, habits or cognitive frameworks”. They explained the need of breakdown in organization in term of “a means of social interaction helping us to create new concepts”. Chaos is also emphasized as an importance factor for top management to “give employees a sense of crisis as well as lofty ideal” [15]. They even noted that top management in Japanese companies often uses the ambiguity and creative chaos. As above described, the Fragmentation Perspective has been seen as “a treatment of ambiguity”. Therefore, fragmentation perspective is also related to the process of knowledge creation in particular and to KM in general.

As explained above, the interaction between KM and three organizational has been well recognized.

4 Conclusion

In this paper, we attempt to illustrate the importance of organizational culture perspectives on KM. We have developed an argument that organizational culture perspectives (Integration, Differentiation and Fragmentation) can be connected with KM processes. Integration perspective improves and enhances knowledge sharing. Differentiation perspective creates contradictions as tools to create knowledge. Fragmentation perspective such as ambiguities, fluctuation and chaos is necessary to promote knowledge creation and knowledge spiral. It is suggested that this linkage is useful for researchers and practitioners to understand KM from organizational culture perspectives. We believe that this paper represents a preliminary study of relationship between organizational culture perspectives and KM. However, it might be expected that this paper could be developed in the future by proposing a theoretical model to describe the influence of

these perspectives on KM as well as to find how to measure these perspective in order to improve and enhance KM in organizations.

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