

THE ROLE OF CULTURE IN KNOWLEDGE MANAGEMENT

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Summary

In this paper, an attempt is made to articulate the cultural role in knowledge management. For this purpose, discussions on the general topic of knowledge management, such as the establishment of knowledge management systems and the use of technology in the creation and utilization of knowledge, are avoided. Much of the discussion focuses on the influence of cultural factors on knowledge management at national and organizational levels.

It is not an easy job to tell a positive culture from a negative one. There is no good or bad culture that affects knowledge management in a positive or negative way, but it cannot be denied that some cultures may help create, share, and use knowledge in an organization or society, while others may not. These two types of culture are explored in this paper, but it should be noted that one culture may play positive and negative roles at

the same time, another culture may play neither roles, and the third culture still may play either positive or negative role only. What is worse in this matter is that no one yet knows the exact role of specific culture in knowledge management. Thus, some cultural orientations that enhance or hinder knowledge management implementation are discussed later in this paper, with comments on empirical research and possible developments in the future.

1. Introduction

Knowledge management approach to organizational behavior is already accepted as a universal phenomenon regardless of its empirical support. The recent extensive interest in knowledge management is considered a very pertinent concept in management behavior. But the majority of research has been focused on how to set up a systematic mechanism for creating, sharing, and utilizing the knowledge available within and outside organizations.

So the next issues are as follows: How can the managers and their organizations maximize knowledge management for improving organizational performance? What capabilities do organizations need to implement knowledge management programs effectively? What kinds of factors affect this knowledge management? There are many possible answers to these questions. Cultural factors are a possible answer to the third question, which is the primary concern of this paper.

In the history of organizational behavior literature, the cultural aspect has been one of the variables that might influence organizational performance either positively or negatively. So the primary concern for organizational theorists was to find the relationship between organizational culture and its financial performance. More specifically, the question of which type of culture, supposing one could categorize culture into meaningful types, would affect the economic performance of an organization became a central concern for management theorists. Much significant empirical evidence has accumulated in the field of organizational culture.

But the cultural role in knowledge management is no direct concern among knowledge management advocates. They only gave it partial attention, feeling that organizational culture is one of many factors that can bring success to knowledge management. Furthermore, there has been no empirical evidence for accepting or rejecting the influence of culture on knowledge management specifically. In other words, they simply reiterate the importance of organizational culture, whatever type of culture it is, for knowledge management. Interestingly enough most of the knowledge management literature emphasizes the importance of organizational culture, but somehow they have not empirically proved the impact of culture on knowledge management.

In short, the cultural role in knowledge management has not been much articulated in the literature. It is now generally accepted, however, that the cultural role is of critical importance, so the question then becomes: in what way does the culture affect successful implementation of knowledge management? In this paper, the cultural role in knowledge management will be explored in a hypothetical manner, because of the lack of empirical research in this subject. The identification of the cultural role in knowledge

management will contribute to both competitive advantage and sustainable growth at organizational and national levels.

This paper deals with several key questions which need to be answered for successful implementation of knowledge management: First, how can one categorize cultures, organizational and national, for the purpose of this paper to identify the cultural role in knowledge management? Second, in what way do the specific types of culture affect knowledge management processes, such as creation, sharing, and using knowledge? Third, what type of positive culture is required to establish and maintain effective knowledge management?

2. Knowledge Management at a Glance

The burgeoning interest in knowledge management is expected to receive considerable scholarly inquiry. In practice, most organizations, large business enterprises in particular, have adopted knowledge management as a central strategic initiative regardless of its ties to strategy and performance in practice. Knowledge management experts demonstrate that superior competitive advantage stems from intangible assets such as know-how, expertise, experience, customer relationships, and managerial practices. Though not empirically proven, an analysis of today's business wealth might be rather suggestive of the role of the intangible assets and dynamic capabilities of the organization.

Knowledge management draws on ongoing research in existing managerial and organizational literature, such as organizational learning, business strategy, organizational competence, etc. Therefore, knowledge management should be especially sensitive to preserving, and building upon, the already significant literature on information technology, executive leadership, innovation, and business strategy, total quality management, organizational learning, business re-engineering, organizational culture, etc. In fact, each of these fields provides important insights into one aspect or another of knowledge management, standing alone; none provides an integrative framework. In short, these managerial concepts and techniques are intertwined and interdependent on one another.

What is knowledge as it is used in the term “knowledge management?” Knowledge is an organizational asset, which needs to be identified, guarded, and shared. Knowledge is a key component of what has become known as intellectual capital, the intangible assets that give an organization a sustainable competitive advantage over knowledge-poor competitors. Knowledge advantage is sustainable because it generates continuing advantages for the organization and society. Knowledge is increasingly proving to be not only an important resource, but also possibly unique in its sustainability.

Knowledge increases with use, breeds new knowledge, and moreover shared knowledge stays with the sharer while it enriches the receiver. In the knowledge organization, all employees should have identified subject areas of responsibility, expertise, and interest, and all employees are encouraged proactively to share knowledge. Knowledge sharing involves communicating and collaborating ideas, opinions, experience, and knowledge between individuals, teams, and sub-units. Knowledge sharing retrieves knowledge

from the organizational memory and makes it accessible to users. Knowledge sharing can be greatly facilitated through the use of such informational technology as e-mail, groupware, audio-visual conferencing, etc., but without cultural support it may be less effective than expected.

To manage knowledge, it is essential to be aware of various types of knowledge. Tacit, explicit, idealistic, systematic, and pragmatic are just a few examples.

Explicit knowledge is knowledge that a person is able to make available to another for inspection. This means that it can be explained verbally, but it is generally preferable to codify it, that is, to write it down. Types of explicit knowledge would include written explanations of management processes, which have been written down in manuals, or other types of documents. Written knowledge is not necessarily sharable. But if the codification is a true representation of activity required to perform a task then an appropriately skilled person should be able to use it. Tacit knowledge is knowledge that has not been made explicit. That may be for several reasons. Either the person who has the knowledge does not know how to convey it appropriately, or it may not be possible to convey it at all. Sometimes people don't know how they do something, and it may be necessary to find a way of formalizing tacit knowledge in order to make it explicit.

Idealistic knowledge would typically be found in chief executive officers or decision makers. These people have a vision, and understand the basic principles of how to achieve it. This type of knowledge is in fact impotent unless supported by some other types of knowledge in terms of tacit processes in the context of an organizational goal, so some of this knowledge will be explicit. That part associated with vision, opportunity and the future is tacit, and not necessarily well understood. Systematic knowledge is knowledge of how things get done. It includes problem-solving strategies, knowledge of methodologies and so forth. This type of knowledge is essential to the competent working of any organization. People need to be able to develop systems, methods and so forth, and then document them for others to use. Pragmatic knowledge is factual knowledge and knowledge one can use to make decisions. It is mostly explicit, well known and understood. This type of knowledge would represent the basic knowledge we have about everyday situations. Pragmatic knowledge will definitely be important within the organization. And as it is explicit it can be codified, that is written down.

Now what is knowledge management? Knowledge management is a process of managing knowledge within and outside organizations that provides a system for the organizations better to create, share, and manage knowledge. In other words, it includes creating, capturing, sharing, generating, accumulating, utilizing, and applying existing and new knowledge necessary for an organization or society.

Organizations need to transform into knowledge organizations in order to be competitive in the evolving environment. Managing knowledge and determining techniques for capturing, distributing, and sharing knowledge in the organization will be the key ingredients to success. A knowledge organization is an organization that realizes the importance of its knowledge, internal and external to the organization, and applies techniques to maximize the use of this knowledge by its employees, stakeholders, and outside clients. Knowledge management advocates maintain that, in order to face

tomorrow's rapidly changing environment, the organization should evolve into a knowledge organization. A knowledge organization is an organization that effectively leverages its variety of knowledge such as intellectual capital, intangible assets, and intellectual properties.

All these discussions are closely related to the pragmatic and utilitarian nature of knowledge and knowledge management. Unless knowledge is used for organizational effectiveness, the organization does not need to invest a lot of efforts to establish knowledge management system.

Therefore, knowledge application to the practical needs of the organization is a critical part of knowledge management. For knowledge management to be effective, not only must knowledge be readily available and shared, but the recipient of that knowledge must make good use of it -- that is, apply it to real work situations.

Pragmatic culture promotes the maximum utility by applying knowledge to real situations. Areas of practical concern for knowledge management consultants are the applications of knowledge in real work situations and attempts to associate the management of knowledge and organizational performance.

Knowledge can be applied directly by a person or computer to perform work, or indirectly as a job aid or tool to support the performance of that work. It can also be used to manage the work through job classification, scheduling, assignment, monitoring, and evaluation.

Knowledge can be applied even more indirectly to improve understanding and subsequent performance, flexibility, and adaptability through the education and training of the manpower.

Furthermore, knowledge can be applied to many organizational behaviors, such as strategic planning, business re-engineering, decision making, problem solving, environmental monitoring, etc., just to name a few.

It is not enough for individuals to learn. Unless that learning is distributed and incorporated into the daily work situation, much of the potential value will be lost. Some countries having a high rate of college graduates still do not have high productivity because of their poor understanding of the pragmatic nature of knowledge management. In this vein, even though idealistic knowledge has high value, it should be supported by explicit and systematic knowledge; otherwise it will turn out to be useless. For example, in Asian cultures idealistic knowledge is embedded in a metaphysical level of philosophy, which is mostly separate from the real world. This means in this culture it is difficult for knowledge management to succeed in terms of creating economic values.

There is still skepticism about knowledge management as a managerial concept or tool. Thus the following questions immediately arise: What eventually can knowledge management do for the organization? Is it the final word or merely another managerial fad? However, arguing these issues is beyond the realm of this paper.

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Biographical Sketch

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