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AN ASSESSMENT OF THE RELATIONSHIP BETWEEN ORGANIZATIONAL CULTURE AND CONTINUOUS KNOWLEDGE MANAGEMENT INITIATIVES

by

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Abstract

The purpose of this research study was to assess the relationship between e-business organizational culture types and continuous knowledge management initiatives in an e-business organization in the transportation industry. This research study provided the foundations and conceptualizations of technologies, people, and knowledge within the context of a single case study of 31 sales professionals. The two-part sequential phase of grounded theory included triangulation through the collection and analysis of quantitative data from a questionnaire followed by the collection and analysis of qualitative data from interviews, observations, and documents. The quantitative design entailed three survey instrument components: a Demographic Respondent Profile, an Organizational Culture Assessment Instrument (OCAI), and a Knowledge Management Assessment Instrument (KMAI). The Competing Values Framework (Quinn & Rohrbaugh, 1983) provided discussion to understand how an e-business organization may improve value creation. The results of conducting this case study may help in determining if knowledge management initiatives will be beneficial and advantageous to an e-business organization determining a specific organizational culture type(s) and implementing knowledge management initiatives. In the right organizational culture, knowledge management may be an effective strategic initiative that enables long-term success, enhances value, and helps to increase an organizations competitive advantage.

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CHAPTER 1. INTRODUCTION

Background of the Problem

As the Internet has evolved into a powerful e-business channel, the rapid growth of the medium has changed the mode in which e-business is conducted. The Internet provides new methods and opportunities to those willing to embrace the challenge (Hargrove, 2001). Internet utilization includes all the applications and processes to make it possible for organizations to conduct business transactions. In addition to the support e-business provides e-commerce, e-business also consists of both front-end and back-end applications to create the basic foundation for business in today's era (Kalakota & Robinson, 2000). According to Kalakota and Robinson, "e-business is not just about e-commerce transactions or about buying and selling over the Web; it's the overall strategy of redefining old business models, with the aid of technology, to maximize customer value and profits" (2000, p. 5). According to Amit and Zott, "academic research on e-business is currently sparse" (2001, p. 494). The literature and research to date has neither articulated the significant matter related to this new phenomenon (Amit & Zott, 2001), nor has it developed theory that captures unique organizational culture and knowledge management practice characteristics that may add value to an organization.

If a company understands the relationship between e-business organizational culture and continuous knowledge management initiatives it may provide long-term benefits, enhance value and success to their e-business organization, as well as lead their organization to competitive advantage. This research investigated a case study to better understand the relationship between e-business organizational culture and continuous knowledge management initiatives among 31 sales professionals within an e-business organization within the transportation industry.

Knowledge management practices are now widely recognized as a competitive advantage, and more e-business organizations have incorporated knowledge management strategies into their organizations (Ambrecht, Chapas, Chappelow, & Farris, 2001; Bell, DeTienne, & Jackson, 2001; Buckley, & Carter, 1999). In order to be successful and competitive within the e-business evolution, e-business organizations need to consider adaptive and intelligent strategies, including knowledge management processes and practices.

E-business organizations also need to understand the significance of people and organizational culture in relationship to knowledge management initiatives. Some organizations may even have cultures that inhibit knowledge management practices. If workers within an organization seek knowledge that is important for the overall good of an organization, a knowledge-network culture will support the worker and the company well (Figallo & Rhine, 2002).

The Competing Values Framework, developed by Robert Quinn and John Rohrbaugh (1983), was used to determine organization culture types and how they could be related to knowledge management initiatives within an e-business company. The first phase of the two part sequential explanatory strategy included quantitative data that was collected and analyzed from a questionnaire that utilized three components: a demographic respondent profile, an Organizational Culture Assessment Instrument (OCAI) developed by Cameron and Quinn (1999), and a Knowledge Management Assessment Instrument (KMAI) developed by Lawson (2004). The second phase included collection and analysis of qualitative data from interviews, observations, and documents. This two phase sequential strategy and mixed methodology approach did generate inferences that may provide significant value to sales managers and sales professionals in the e-business organization under study, as well as other e-business

organizations that employ sales professionals, particularly in the transportation industry, as they continue and plan to implement knowledge management initiatives within their e-business organizations. The results of this data did provide important information to better understand key relationships to the type of culture and the correlation it has on knowledge management initiatives within an e-business organization.

Background of the Case Study

Knowledge management practices vary from emphasis and use of technology to search, store, capture, disseminate knowledge to other knowledge management objectives that may focus on knowledge sharing among individuals, learning through creation, education, and knowledge distribution capabilities (Liebowitz, 1999). The use of a variety and different types of knowledge management practices in e-business environments may promote decentralized communities and the development of decentralized culture which may result in a social effect of increased access to information and knowledge that is most dramatic in the reduction of hierarchy (Lipnack & Stamp, 2000). In addition, e-business organizations have shifted toward a knowledge economy of created companies that are nimble, adaptive, flexible, and innovative. Through multi-skills and connections of communications, organizations have changed to quickly react to market changes and competition, and adapted to market needs. E-business organizations are very flexible and deal with properties that can mean bend without a break, which tends to occur within many organizations. Change, through innovation, occurs from technology, people, and markets, and entails the ability to apply knowledge to adapt to new markets quickly with flexibility (Prusak, 1995-2001).

The e-business organization, whose name is withheld by management request, under this case study included sales professionals within a transportation industry. The study introduced knowledge management initiatives specifically tailored to meet sales professional's needs, environments, and perspectives. This case study provided a better understanding on how knowledge management practices provided value to sales professionals in a specific organizational culture type within an e-business organization in the transportation industry.

Statement of the Problem

Many views and developments have materialized from knowledge management initiatives that have improved the value of e-business organizations. To continue growth and become even more successful, e-business organizations and e-business leaders should consider continual evaluation of knowledge management strategies and best practices (Davenport & Prusak, 1998). E-business leaders and key management staff should also understand the relationship between culture types and knowledge management initiatives. All e-business organizations have the opportunity and ability to create strategies, including knowledge management initiatives, positioning their organizations competitively, and transforming their organizations through practices, concepts, and functional aspects (Davenport & Prusak; Malhorta, 2001).

Knowledge Management Initiative

Knowledge management is one initiative within an organization where success depends on the support of the whole organization. In order for knowledge management to make an impact within an e-business organization, there must be individuals within e-leadership roles, or a chief knowledge officer, who influence an organization's culture and the way the organization conducts e-business. With this support, knowledge management practices and initiatives progress

quickly and benefits become apparent much faster. Knowledge management affects the way people work, value systems, and management styles and organizations need to consider knowledge management within their organizations for long-term return (Liebowitz, 1999). The e-business organizations that are going to succeed and generate growth need to better understand knowledge management initiatives and the type of organizational culture that impacts and increases their value (Davenport & Prusak; Malhorta, 2001).

Purpose of the Study

According to Davenport and Prusak, "companies hire for experience more often than for intelligence or education because they understand the value of knowledge that has been developed and proven over time" (1998, p. 12). "Explicitly recognizing knowledge as a corporate asset is new" and "the need to make the most of organizational knowledge, to get as much values as possible from it, is greater now than in the past" (Davenport & Prusak, 1998, p. 12). In addition, knowledge is known to be an organization's greatest asset; therefore for a company to fail to generate knowledge may be a reason for an organization not to exist (Davenport & Prusak, 1998). The objective of knowledge management initiatives is to leverage and utilize uniqueness and to capitalize on the variety of people, processes, and services within the e-business organization. In addition, four prerequisites to consider during the implementation of knowledge management that can enhance the likelihood of success are: executive leadership and commitment, a healthy culture, expertise, and information technology (IT) infrastructure (1998). According to Beckman (1998), several challenges to the implementation of knowledge management in a typical organization can occur. First, knowledge is often hoarded instead of shared and second, valuable knowledge developed by employees is often ignored, rather than

incorporated into daily work. Corporations also often fail to recognize or measure intellectual assets-knowledge and expertise are often not valued by corporate culture. Finally, employees who share knowledge and expertise are considered naïve, rather than rewarded for valuable contributions and valuable organizational behavior (Beckman).

Management, e-business leaders, and chief knowledge officers must, if needed, change the existing culture and mindsets so that employees are receptive, supportive, and committed to the principles of the knowledge organization. Outstanding leaders need to gain the hearts and the minds of workers by creating a cultural style and by providing good knowledge management (Tiwana, 2000). The role of knowledge leadership consists of promoting a constructive cultural direction toward knowledge acquisition and knowledge sharing, a culture that values continuous learning, and where experience, expertise, and innovation take over from hierarchical cultures and bureaucratic environments (Davenport, Delong, & Beers, 1998).

The skill to learn is considered to be organizational when ideas and knowledge generated by individuals within an organization are shared across organizational boundaries of space, time, and hierarchy. While individuals within an organization often generate good ideas, no impact is dispersed if ideas are not generalized, used to expand on, or revised by other people, units or functions. Managers who want to build learning organizations must concentrate on both individual and organizational learning. Individual learning occurs as members within the organization gain knowledge through education, experience, or experimentation (Yeung, Ulrich, Nason, & Von Glinow, 1999). To learn, the modern organization has achieved a new kind of internal structure and process evident by flexibility of style in its leadership and through empowered contributions from its membership. Organizations are constituted to learn, grow and

change, as opposed to traditional bureaucratic models that consist of stable and predictable operations (Vaill, 1996). Training and education are extremely important to the knowledge management process. Organizations need to understand what individuals need to learn, how people learn, and what really needs to be done to take ownership of the development process. To determine the kinds of information and what types of knowledge organizations want to impart on people is vital to success (Rasmus, 2002).

It is imperative to have executive leadership and commitment, a healthy culture, and expertise for success to occur in knowledge management. The hierarchy cultures, versus decentralized cultures suffer from lack of trust and failure to reward and promote cooperation and collaboration. Without trusting and properly motivating workers knowledge is rarely shared or applied, innovation and risk-taking cease, and organizational cooperation and alignment are nonexistent (Zand, 1997). Management must consider changing the existing culture and mindsets of individuals in e-business organizations to be receptive, supportive, and committed to the principles of a knowledge organization (Liebowitz, 1999).

The value of information technology (IT) through formulated and integrated concepts of knowledge representation, knowledge repositories, and automated knowledge transformation also needs to be considered in an e-business organization. In order to facilitate knowledge sharing, an IT infrastructure must be in place. Knowledge and expertise must be easily accessible, understandable, and retrievable (Beckman, 1998). According to Liebowitz (1999), a significant difference of opinion occurs about the value of IT, particularly with expert systems and other intelligent systems, versus opposition to strong agreement about the value of global

computer networks and groupware to share knowledge, which enables knowledge management to work (Liebowitz, 1999; Liebowitz, J., & Beckman, T., 1998).

The purpose of this research study is to assess the relationship between e-business organizational culture types and continuous knowledge management initiatives. If an e-business organization better understands these relationships they could potentially enhance value and ultimately provide more success to their company. This research study provides the foundations and conceptualizations of these correlation aspects (technologies, people, and knowledge) in the workplace within the context of a single case study, and is shown in Figure 1, Venn diagram.

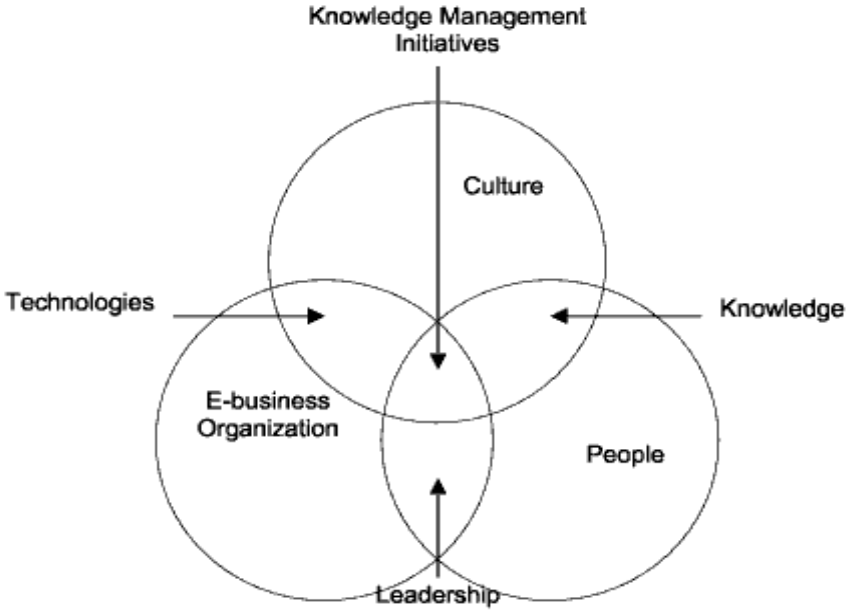

Figure 1. Venn diagram

Rationale

An organization generates value from what is known through organizational processes of knowledge creation, knowledge transfer, and knowledge utilization. All healthy organizations generate and use knowledge through informal, self-organized networks, which over time may become more formalized. Critical to the success of knowledge generation is recognition by management that knowledge generation is an important activity for e-business success. In addition, according to Davenport and Prusak nine factors have been identified that lead knowledge projects to success: "knowledge-oriented culture, technical and organizational infrastructure, senior management support, link to economics or industry value, modicum of process orientation, clarity of vision and language, nontrivial motivation aids, some level of knowledge structure, and multiple channels for knowledge transfer" (1999, p. 153).

Understanding why knowledge management initiatives must build from strengths within unique organizational culture, identifying key aspects to knowledge success and recognizing the impact e-leadership roles have on knowledge management will shape the value of e-business organizations. Understanding key characteristics of knowledge organizations is also important. The characteristics of high knowledge organizations include: top performance, customer-driven, improvement-driven, excellence-driven, flexibility and adaptiveness, high levels of expertise and knowledge, high rates to learn and innovate, and innovative IT enabled, self-directed, managed, proactive and futurist, valued expertise, and shared knowledge (Beckman, 1998; Liebowitz, 1999). These characteristics, as well as additional research, indicates that considerable progress has been made in knowledge management; however, work still remains to fully deliver the e-business value that knowledge management promises. In order to realize the significant potential

value from knowledge management, e-business organizations must motivate and enable the creating, organizing, and sharing of knowledge (Liebowitz).

Research Question

This research study addresses the following research question: "How does organizational culture influence continuous knowledge management initiatives in an e-business organization?" The search for the answer to this question utilizes the Competing Values Framework (CVF) to determine the connection between the e-business organizational culture and continuous knowledge management initiatives. The four cultures types (clan, adhocracy, hierarchy, and market) embedded in the framework were assessed to establish the extent to which the culture types impact knowledge management success. Finding and understanding the answer to this research question is a vital first step and should be done prior to implementing knowledge management initiatives within an e-business organization (Lawson, 2004).

Significance of the Study

In the past several years an explosion of interest, research, writing, and applications of knowledge management has occurred. According to Liebowitz, "knowledge management is believed to be the current savior of organizations" (1999, p. iv), according to Choo and Bontis, "effective knowledge management is critical for the survival and progress of modern organizations" (2002, p. 433), according to Davenport and Prusak (1998, p. 52), "without knowledge, an organization could not organize itself; it would be unable to maintain itself as a functioning enterprise", and according to Burden, "human capital is still the greatest asset within an organization" (2000, p. 85). These statements reflect the significance of this research study to e-business organizations. E-business organizations realize the importance and value of

knowledge management, and the brainpower or intellectual capital of workers and management. In addition, e-business organizations understand the consequences to leverage knowledge internally and externally within their e-business organization that will lead to competitive edge (Choo and Bontis, 2002; Chourides, Longbottom, & Murphy, 2003). The findings of this research case study using a mixed methods approach may be beneficial and competitively advantageous to the e-business organization under study, as well as to other e-business organizations particularly in the transportation industry, when assessing their organizational culture and knowledge management initiatives.

Nature of the Study

A case study utilized a grounded theory approach with a mixed methods design, and sequential explanatory strategy was used in this research study. A mixed methods design approach was determined to be the best means to answer the identified research question, provide the best way to explore processes, activities, and events (Creswell, 2003) and apply the best means to examine and understand the relationships between and among specific culture types and knowledge management aspects of sales professionals. The first phase of the sequential explanatory strategy, as indicated in Figure 2, consisted of quantitative data collection and analysis from a questionnaire that included three components: a Demographic Respondent Profile, an Organizational Culture Assessment Instrument (OCAI), and a Knowledge Management Assessment Instrument (KMAI). This survey instrument asked demographic, organizational culture, and knowledge management questions. This first phase entailed collecting and analyzing quantitative data that provided a way for the researcher to gain emerging themes

of the relationship between organizational culture and continuous knowledge management initiatives of sales professionals within the e-business under study.

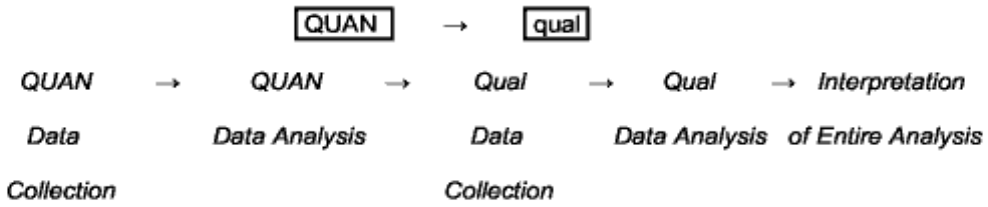

Figure 2. Sequential explanatory design. The explanatory strategy design is characterized by the collection and analysis of quantitative data followed by the collection and analysis of qualitative data. [1]

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[1] From *Research design: Qualitative, quantitative, and mixed methods approaches.* (2nd ed.). Thousand Oaks, CA: Sage by J. W. Creswell, 2003, p. 213.

The second phase of this sequential explanatory design included qualitative data collection and analysis (see Figure 2) that provided the researcher with an in-depth understanding of the relationship between organizational culture and continuous knowledge management initiatives of sales professionals within the e-business under study. The quantitative and qualitative data collected and analyzed included triangulation of data from telephone or face-to-face interviews with account executives and sr. account executives and face-to-face interviews with sales managers and administrators in naturalistic settings, observations, and other pertinent documented information. A more detailed description of this case study and grounded theory approach of sequential explanatory strategy that uses a mixed methodology design can be found in Chapter 3, Methodology.