The impact of organizational culture on learning organization with emphasis on role of mediating knowledge management

Sara Almasizadeh

M.A.Student Educational Management Urmia University
saraalmasi850@yahoo.com

Abstract: Learning organization is one of the main important issues that requires special attention from organizations, therefore, recognizing the effectual factors on the learning organization in the path of organizational culture and knowledge management seems to be vital for organizations. This research has been carried out to define the learning organization's pattern based on organizational culture dimensions with the intermediate role of knowledge management. The applied method is descriptive and the solidarity research pattern is based on of structural equation modeling. The statistic population includes all Kermanshah's Ministry of Industries and Business personnel who have been selected to be studied using random stratum sampling method in relation with the volume of 186 person per each stratum as statistic samples. In order to gather the data for the research, three standard questionnaires of organizational culture, knowledge management, and learning organization have been employed. The research's data has been analyzed using SPSS and LISREL statistical software. The results of the structural equation modeling showed that the effects of organizational culture on the learning organization with intermediate role of knowledge management is influential.

Keywords: Organizational Culture, Knowledge Management, Learning Organization, Personnel

1. Introduction

Features of modern organizations are known as dynamic, complexity, ambiguity and escape from tradition. They are always under perpetual influence from their environment, and they have accepted changes as inevitable. Speculating the changes with a relatively logical time, would be faced with some issues. By understanding the fact that changing has become one of the inalienable and fundamental aspects of 21[1st] century organizations, the power of coincidence and adaptability with recent changes in various economic, social, and educational areas will be increased. In order to overcome the untrusted, complicated and dynamic situations, the only way in front of the managers is to empower the personnel by gaining knowledge and skill that will decay very soon. Hence, possessing competent and skillful manpower, which is considered as the fundaments of national wealth and organizations' vital capital, would be of high interest for various organizations. In fact, the studies of leadership and management assert that empowering the personnel is the main part of an effectual management. (Sharifzadeh and Kheyrandish 2010, Erabi and Fayazi 1998, Wiig 2002, Pablos 2003, and Kantola 2008, Yukl 2008). In this field, Mayer (2008) believes that the qualified and skillful manpower, is a valuable agent and the infinite capital in the path of organizations and countries growth and development and the major capital of a country and the basic factor of its development. What is necessary for development of the modern organizations is the serious need for innovation in human resource management and organizational knowledge with the aim of creating potentials in order to face the global challenges. In order to have a successful redesigning (reengineering), individual level must be communicated through entire levels of learning (individual, group, and organizational), so that a new common perception be developed in the entire organization. Peter Senge and his colleagues assert that it is possible to structure the process of organization's learning and, then, the leaning organizations by employing system thinking. (Liao 2006). The learning organization is the result of efforts made in the domain of improvement and organizational development. In the learning organizations the most important knowledge is to learn how to learn (Ghahramani 2001). Huber (1991) believes that through the time, the learning organization learns, and even changes its functions. It is possible to call an organization a learning one, when it is capable of recognizing the peripheral needs and providing the required tools to adapt itself with these needs. Then by creating and developing the required functions to arrive to further success, it continues its life (Tsai 2008, Yang et. al 2007). Such organization is skillful in creating, gaining, communicating the knowledge, and improving the individual's behavior in order to reflect the new knowledge and perception. (Garvin 2004, Yaşlıoğlua

et. al 2014). Marquarthas presented a relatively comprehensive definition of the learning organization. He defines the learning organization as a system that possesses a high level of organizational learning, and the process of learning happens in a collective form, it also changes itself continuously so that it would be able to collect and manage the information aiming to arrive to organization's achievement. (Pourhosseyni 2007). Features of the learning organization include: understanding the organization's position as a totality within superior totalities, achieving educational improvements, competence and efficiency as the most important goal, organizational learning strategies and improving manpower as its central policy, increasing group learning through corresponding and feedback, to encourage people to take responsibilities, to encourage innovation and creativity, practicing and following participative working policy, and the existence of a special learning atmosphere and the opportunity to improve for everyone.(Torkzadeh 2008). Among the factors that can be effective for the learning organization are the organizational culture and knowledge management.In the studies of organizational quality improvement, the effectiveness and productivity of manpower and financial resources and gaining advantages from the policy of employing the minimum resources has been emphasized. Therefore, in order to achieve the pre-determined management objectives, it's necessary to pay special attention to understanding organizational culture. (Ardalan 2012). The organizational culture is a system consisted of values and beliefs which are in correspondence with manpower, organizational structure, andthe control system and, therefore, it establishes behavioral norms in an organization. (Neal 2008). In this area, Broody and his colleagues (2012) believe that the organizational culture is a social label which ties symbolic diplomacy and social aspirations by employing common values. In fact the culture has three main origins: A) beliefs, values, and assumptions of organization founders, B) experiences that the members of a group go through as components of the organization in a period of time, C) beliefs, values, and new assumptions that enter the organization by new members and leaders. Each one of these three factors plays an important role in creation of organizational culture. (Yazdkhasti 2008). In Mili's point of view, culture is not easy to define but it is comprehensible. Schein believes that the organizational culture is a dynamic phenomenon which is constantly in co-operation with environment and the people, and its formation lays in the difficulty of external adaptation and internal integrity of a certain group. Consequently, the necessity to pay attention to organizational culture is of such high importance that experts believe that if it is arranged to

arrive to effectual and stable changes along with the status of effectiveness in an organization, the culture of that organization should be recognized. (Sohrabi et. al 2009).

On the other hand, organizations are required to recognize the key factors of development of knowledge management system. (Rahnavard and Mohammadi 2009). Today, knowledge is considered as the most important capital and belonging of an organization, and as a motivator to creating competitive advantage, organizational reformation, and innovation. This capital is a special one comparing to the other capitals, because the longer one uses it, the more valuable it becomes. (Nirmal 2004, Vashishtaet.al 2010). In recent years, the knowledge has been considered as a tool to decrease the distance among the developing countries. (Hasanzadeh 2007). The management of this invisible capital has attracted a large amount of attention to itself within last decades so that employing an effective knowledge management strategy and developing into a knowledge-based organization, is now an essential precondition of success for the organizations in the era that is known as knowledge-based economic. (Hung et. al 2005). Knowledge management is the conscious and smart efforts of the organization in the way to gain and increase competitive and innovative potential in a world that is in undergoing fast technological changes. Knowledge management, understanding, quality of decision making, and knowledge sharing constantly change data into information and information into knowledge, and by this it prevents the exceeding accretion of the data and useless information. The transformation of organizational knowledge can be described using two elements: bilateral knowledge operation forms, and various levels of knowledge transformation. Therefore, there are two types of co- operation to create knowledge: interaction between implicit knowledge and definite knowledge, and interaction between individual knowledge and organizational knowledge. (Nonaka, Takeuchi 1995, Zawawi 2011). Hence, knowledge management has been turned into one of the most important duties of organizations that are seeking to benefit from this precious capital. (Monavarian and Naseri 2009).

Considering the manpower in organizations is another option that has recently attracted attentions in the science of knowledge management and psychology. On the other hand, organizations are introduced on the most valuable resources known to societies. In this case, national advancement and development is highly dependent on development, dynamism and progression of organizations. Considering the described matter, this research tries to answer this question that if the organizational culture

has any influence on the learning organization with intermediate role of knowledge management.

Conceptual Model of the Research. In order to arrive at the main goal of the research, and to speculate the plausible possibility, the relation among the research's variables with regard to a designed pattern, direct and indirect effects of mentioned variables on the learning organization, evaluation of the relations among variables and meaningfulness of the relation of each one, and calculation of pattern's fitness coefficient will be studied. The conceptual model of this research in presented in Fig. 1.
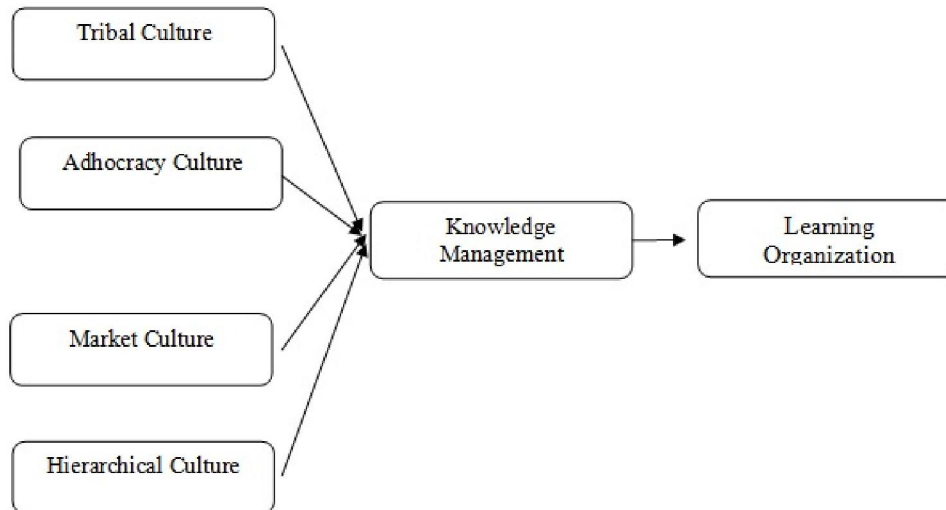

Fig. 1 Conceptual Model of Research

Research Method

The method of this study is descriptive and of correlation of structural equation modeling. The population consisted of 420 personnel of Kermanshah's Ministry of Industries and Business, who have been selected based on random stratum sampling method in relation with the volume of 186 persons for each stratum as statistic samples. To determine the required sample volume, the Cochran's theorem is applied according to the volume of population. Three standard questionnaires were used to gather the required data. The organizational culture evaluation questionnaire is based on Cameron and Quinn's model (1999) which is consisted of six components, and each of which has four items, and there are 24 items altogether that are designed based on 5 point Likert scale. The questions of this questionnaire evaluate four types of organizational culture (tribal culture, adhocracy culture, market culture and hierarchy culture) in universities. The reliability of questionnaire is $\alpha=0.82$ based on Cronbach's alpha coefficients. The knowledge management questionnaire is based on Lawson's model which is consisted of six components (knowledge production, knowledge organizing, knowledge reservation, knowledge publication, and knowledge application). Each of these six components has four items, and there are 24 items altogether that are designed based on 5 point Likert scale. The reliability of questionnaire is $\alpha=0.82$ based on

Cronbach's alpha coefficients. The learning organization's questionnaire is based on benchmarks introduced model which is consisted of five components: individual capability, mental models, common goals, group learning, and systematic thinking. The questionnaire is consisted of 37 closed test items and designed based on 5 point Likert scale. The reliability of questionnaire is $\alpha=0.82$ based on Cronbach's alpha coefficients. The research's data have been analyzed using SPSS and LISREL statistic software in two levels of descriptive and inference method. In descriptive level, statistics such as mean, standard deviation, skewness, and kurtosis are applied. In inference level, the Pearson Correlation Coefficient is applied. In order to determine the amount and power of variable's effect on organizational culture and knowledge management on the learning organization, the structural equation modeling based on LISREL statistical software is used.

Research Findings

In table1, Variables' descriptive indicators include mean, standard deviation, skewness, and kurtosis are presented. Kline (2011) suggests that variables distribution should be normal. He suggests that variables' skewness and kurtosis absolute value should not be more than 3 and 10, respectively. According to table.1 all variables' skewness and kurtosis absolute values are less than Kelin's

suggested values. In table 2 the correlation matrix of research's variables are presented.

**Table 1.** Descriptive indicators of research's variables

Variable	Mean		Standard deviation	Skewness	Kurtosis
Organizational Culture	3.19		0.40	-0.05	-0.75
Knowledge Management	3.23		0.68	-0.33	-0.04
Learning Organization	2.98		0.42	0.05	0.40

Table 2. Correlation matrix of research's variables

Row	Variables	1	2	3
1	*Organizational culture*	1		
2	Knowledge management	0.51[**]	1	
3	Learning organization	0.48[**]	0.74[**]	1
	** p< 0.01	908	*p<0.05	

According to table.2 the relation between organizational culture (0.48) and knowledge management (0.74) with the learning organization at level of 0.01, is positive and significant. The relation of organization's culture (0.51) with knowledge management is positive and significant at level of 0.01. The research's examination of theoretical pattern and it's fitting with the gathered data, is carried out using method of maximum possibility and LISREL v.8.8 software. In fig. 2 the tested pattern of the research is presented.
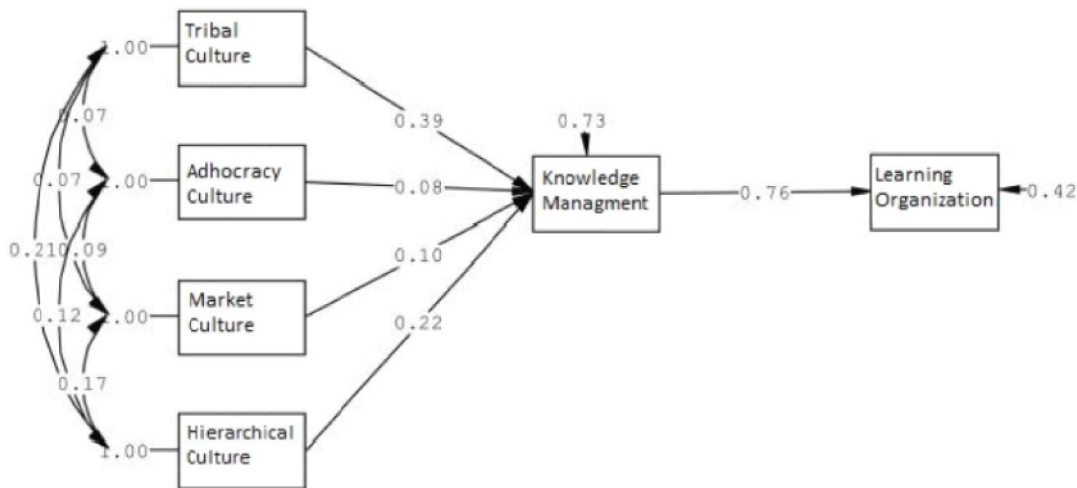
Chart.2 the research's pattern in significant state

According to chart 2, the effect of organizational culture with intermediate role of knowledge management on the learning organization is positive and significant.

Table 3. Fitness indicators of compliance

X^2/df	RMSEA	CFI	GFI	AGFI
2.91	0.065	0.94	0.95	0.89

In order to review the fitting quantity of tested model, indicators introduced by Kline (2011) are used. These indicators include X2/d.f that values less than 3 are acceptable, Goodness of Fit Index, Comparative Fit Index in which the values more than 0.9 are indicating the proper fitness of the pattern, Adjusted Goodness of Fit Index in which values more than 0.8 are acceptable, and Root Mean Square Error of Approximation in which values less than 0.08 are indicating the proper fitness of the pattern.

Conclusion

The results showed that organizational culture with intermediate role of knowledge management has

a significant effect on the learning organization. The studies show that creating a constructive organizational culture may have an undeniable improving impact on job satisfaction and the spirit of cooperation among personnel (San Park. and Hyun Kim 2009),accepting the technology and determining success or failure of the organization (Balthazard et. al 2006), increasing organizational performance (Asree et. al 2009), personnel's socialization (Taormina 2007), Organizational Maturity (Hosseini et. al 2009), knowledge-based activities and knowledge sharing (Lai and Lee 2007), improving attitudes toward organizational changes (Zabid et. al 2003), and such issues. Studies about knowledge management also suggest the efficiency of knowledge management on organizational learning (Miresmaili 2007, Yaghoobi et. al 2009) organizational alacrity (Zanjirchi et. al 2009), and organizational performance (Rajaeipour and Rahimi 2009). These findings can be emphatic about this section's results. Researchers introduce vital and effective factors on knowledge management as open and trustworthy organizational culture (Wild 2003), senior manager's leadership responsibility (Moffett 2003), substructure of information systems (King, A. W., and Zeithalm 2003), and knowledge structure (Yang 2002).These results can be considered in a line with the presented research's findings. Based on the results, we can say that creating a constructive organizational culture that presents an opportunity for accepting the relations, supporting the personnel, and inducting trust and respect can be effective on development of the learning organization. Creating any changes, whether small or not, most be acceptable to the organization's culture. According to the important effect of organizational culture on the organization, the managers should always be in search of recognizing, changing, and developing the organizational culture, so that they will be able to have influence on the individual behavior of the personnel, and to ease achieving the goals of the organization. Those who are willing to change objectives of the organization, are in struggle with unchangeable attitudes. Without creating new culture, there would be no progress and the faults would be irreparable. It can be said that the personnel try to become familiar with notions, attitudes, and personal knowledge of each other that are based on their experiences. In collective activities, they try to share their life experiences and to clear their intention using tangible examples. They also try to communicate the knowledge and information with each other by creating research teams. On the other hand, they participate in success and development of Culture of Collaboration by sharing personal knowledge related to their jobs which is a part of each member's responsibility, helping to establish more mutual understanding among the personnel. These proceedings may be influential on the learning organization's development. Therefore, it is expected to see that the personnel, who are considered to be the heart of the organization and main agents of educating young people, to benefit from knowledge or, in other words, information in the age of information, and to force themselves to learn new materials. By this strategy and according to organizational culture and knowledge management strategy, the personnel are able to significantly increase the quality of learning and educating processes, free interactions of science, combination of knowledge and experience among the colleagues, and their professional and specialized knowledge. Accordingly a successful learning organization should provide an organizational environment that combines organizational learning with knowledge management. This important goal would be only possible with a supportive and helpful organizational culture.

References
1. 23, 6-26. MdZabid, A.R., Murali, S., and Azmawani, A.R., (2003). The impudence of organizational culture on attitudes toward organizational change, *The Leadership & Organization Development Journal* 25(2): 161-179.
2. Arabi, S.M and Fayazi, M (2009). Methodology of Defining and Applyning Manpower Resource Empowering on Iran's Cultural basics. Researches of Human Resource Managment Journal. No.1 1-18.
3. Ardalam M.R (2013), Cultural Basis of Individual-Organization Unification, Hamedan, Boualisina Publication.
4. Asree, S., Zain, M., and Razalli, M.R. (2009). Influence of leadership competency and organizational culture on responsiveness and performance of firms, *International Journal of Contemporary Hospitality Management* 22(4):500-516.
5. Balthazard, P.A., Cooke, R.A, and Potter, R.E., (2006). Dysfunctional culture, dysfunctional organization apturing the behavioral norms that form organizational culture and drive performance, *Journal of Managerial Psychology*, 21(8): 709-732.
6. Briody, E., Pester, T.N., and Trotter, R. (2102). A story's impact on organizational-culture change, *Journal of Organizational Change Management*, 25(1), 67-87. Colleen, L., and Theresa, k., (2008). Understanding the impudence of organizational culture and group dynamics on organizational change and learning, *The Learning Organization, 15*(3): 277-287.

7.   Garvin, D. A. (2004), Building a learning organization, *Harvard Business review*, pp.78-91, 1993.

8.   Ghahramani, M. (2001). Development of Learning Organizations, Management Specialized Scientific Journal, No.9.

9.   Hasanzadeh, M. (2008). Study of Fundemental Basis of Knowledge Managment in Islamic Republic of Iran.

10. Hosseyni, S., Yarmohammadian, M.H., Ajami, S. (2009). Relation between Organizational Culture and Cultural Maturity in Personnel of Isfahan Oloom Pezeshki Hospitals in 2007 and 2008, Knowldge and Research in Education-Educational Programming. No.21,101-116.

11. Huber, G.P (1991). Organizational Learning: The contributing, process and the Literature. *Organizational Science*.2 (1); .88-100.

12. Hung, Y.C., Huang, S.M., Lin, Q.P., Tsai, M.L. (2005). Critical factors in adopting a knowledge management system for the pharmaceutical industry. *Industrial Management and Data Systems*; 105(2).164-83.

13. Jeong, S.H., Lee, T., Kim, I.S., Lee, M.H. and Kim, M. J. H. (2007), The Effect of Nurses' Use of The Principles of Learning Organization on Organizational Effectiveness, *Journal of Advanced Nursing*, 51(1), pp. 53–62.

14. King, A. W., and Zeithalm, C. P. (2003). Measuring organizational knowledge: A conceptual and methodological framework. *Strategic Management Journal,* 763–772.

15. Kline, R.B. (2011). *Principles and practice of structural equation modeling.* Second Edition, New York: The Guilford Press. Lai, M.F., and Lee, G.G., (2007), Relationships of organizational culture toward knowledge activities, *Business Process Management Journal* Vol. 13 No. 2, pp. 306-322.

16. Liao, L. (2006),A learning organization perspective on knowledge-sharing behavior and firm innovation, *Human Systems Management*, 25, pp. 227–236.

17. Mayer, A. (2008). Review confirms work Place Counseling Reduces stress. *British medical Journal*. 322: 637.

18. Miresmailli, A. (2006). Evaluation of the role of Knoeldge Management and Organizational Learning in Tehran's Intelligent and Common Schools. Journal of New Notions in Education, Second Year, No.2, 150-169.

19. Mobley, W.H. (2005). *Organizational Culture: measuring and developing it in your organization.* Harward Business review China.

20. Moffett, S., McAdam, R., and Parkinson, S. (2003). An empirical analysis of knowledge management applications. *Journal of Knowledge Management.*

21. Monavarian, A., and Naseri. A. (2009). Organization in the Age of Industry, Knowledge and Wisdom, Tehran. University of Tehran's Publication.

22. Mosley, R. W. (2007). Customer experience, organizational culture and the employer brand. *Brand Management*, 15(2), 123 -134.

23. Neal, M., (2008), Anatta: Buddhist insights into the paradoxical nature of organizational cultural problems, *Journal of Organizational Change Management*, 19(4),518-528.

24. Nirmal P. N., (2004) *Sundaresan, S., Ray, J., Bhargava, H., Glantz, E., McHugh M. W., Knowledge Quotient*™ (KQ): A Way to Measure the Know ledge Intensity of Your Team, the Penn State eBusiness Research Cente.

25. Nonaka, I., Takeuchi, H. (1995). *The Knowledge Creating Company: How Japanese Companies Create the Dynamics of Innovation*, Oxford University Press, New York, NY.

26. Paajanen, P. and Kantola, J. (2008). *Applying systems thinking in the evaluation of organizational learning and knowledge creation*. Ph.D**.**

27. Pablos, P. O., (2003). Measuring and Reprinting Structural Capit, Journal *of Intellectual Capital,* Vol. 5, No.4 Pp: 629-647. San Park, J. and Hyun Kim, T. (2009). Do types of organizational culture matter in nurse job satisfaction and turnover intention? *Leadership in Health Services, 22*(1): 20-38.

28. Pourhosseyni, J. (2008) Leaning Organization and the Importance of Today's Marketing, Journal of Managment No.121 and 122, 52-58.

29. Rahnavard, F., and Mohammadi, A. (2009). Reconizing the Key Elements of Knowledge Management Success in Tehran Colleges and Higher Education Centers, IT Management. Season.1, No.3, 37-52.

30. Rajaeepour, S., and Rahimi, H. (2008). Study of Relation between the Process of Knowledge Transformation and the Performance of faculty of Isfahan University. Bulletin of Management's liberal and social Science, No.4, 59-76.

31. Sharifzadeh, F., and Kheyrandish, M. (2009), Analyzing the relation between QWL and Personnel's Performance in Iran Khodro Iran Diesel Company, Management Researches, Second Season, No.3, 29-52.

32. Sohrabi, N., Shahtalebi, B., and Ahmadi, G, R. (2009), Relation between Authority and Organizatoinal Culture Different Types in Khomeyn's H9igh Schools, Knowledge and

Research in Education- Educational Programming. No.21, 79-100.

33. Taormina, R.J., (2007), Interrelating leadership behaviors, organizational socialization, and organizational culture, *Leadership and Organization Development Journal, 29*(1): 85-102.

34. Torkzadeh, J. (2000). The Learning School, Journal of Managment in Education No.23 and 24.

35. Tsai, Y. (2008), The relationship among learning organization, internal marketing and organizational commitment, Northeast Decision Sciences Institute, p p.56-61.

36. Tsui S., Zhang, Z., Wang, H., Xin, K. R., and Wu, J. B. (2006). Unpacking the relationship between CEO leadership behavior and organizational culture, *The Leadership Quarterly*, 17; 13– 137.

37. Vashishta, R., Kumar, R., and Chandra, A. (2010). Barriers and facilitators to knowledge management: evidences from selected Indian universities. *The IUP Journal of Knowledge Management*, 8 (4): 7-24.

38. Wiig, K.M. (2002). New generation knowledge Management, What May we Expect? *Knowledge Research Institute Inc.:*1-9. Wild, R. H., Griggs, K. A., and Downing, T. (2003). A framework for e-learning as a tool for knowledge management. *Industrial Management and Data Systems,*102, 371-80. Yang, H., Hsieh, C., and Lin, B. (2002).

Roles of knowledge management in online procurement systems. *Industrial Management and Data Systems,*365-370.

39. Yaghoubi, M., Karimi, S., Javadi, M., Nikbakht, A. (2010), the Relation between Organizational Learning and Knowledge Management among the Personnel of Selected Hospitals in Isfahan. Health Management, 13(42), 67-74.

40. Yaşlıoğlua, M.M., Şapb, O., and Toplu, D., (2014). An Investigation of the Characteristics of Learning Organizations in Turkish Companies: Scale Validation, *Procedia - Social and Behavioral Sciences,* 150; 726 – 734.

41. Yazdkhasti, A. (2008). The Relation between Type of Organizational Culture and the Level of Accepting Universal Quality management. PhD Thesis, University of Isfahan, College of Psychology and Education.

42. Yukl, G. (2008). Leading Organizational learning: Reflections on theory and research, *The Leadership Quarterly* 20, pp49-53.

43. Zanjirchi, S.M., Saida Ardakani, S., and Hataminasab, (2009). Study of Relationship between Knowledge Management and Agility in Small and Medium Organizations. Sixth International Technology, Information, and Relation Management Conference.

44. Zawawi, A. (2011). The study of barriers factors in knowledge sharing: A case study in public university. *Management Science and Engineering*, 5 (1): 59-70.

4/23/2016