The Influence of Organisational Culture Types on Tacit Knowledge Sharing Behaviour: A Conceptual Framework

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Abstract

Resources are central to the existence of any organisation, and among these resources, knowledge is recognised as one of the most important. Knowledge can be categorised as explicit or tacit. Explicit knowledge can be articulated, stored independently, and easily communicated. Conversely, tacit knowledge is embedded deep in people’s minds and is not easily shared. Attempts to share can be slow, costly, and uncertain. Although it is acknowledged that there are inherent benefits to tacit knowledge, people, generally, are reluctant to share it because of various barriers. According to prior research, organisational culture is one of the main barriers. This paper proposes a conceptual framework that will facilitate the study of the influence of organisational culture types on tacit knowledge-sharing behaviour.

Keywords: Organisational Behaviour, Innovation, Knowledge Management.

1. Introduction

1.1. Background

Resources are central to the existence of any organisation. The resource-based view is premised on this belief (e.g., Barney, 1991; Drucker, 2000; Grant, 1996; Penrose, 1959). Among these resources, knowledge is recognised as the key differentiator and is crucial for any organisation to maintain its competitive advantage (Halawi, Aronson, and McCarthy, 2005). Knowledge is one of the most distinct resources in any business (Drucker, 1993); that is, money, capital, and technology are no longer the foundation of an organisation (Drucker, 2000). Today, knowledge and intellectual capital are the key sources of wealth for organisations and are the engines of economic and social development (Cantu’, Bustani, Molina, and Moreira, 2009; De la Vega and Stankosky, 2006). Knowledge can be broadly classified into two types: explicit and tacit (Nonaka and Takeuchi, 1995). Knowledge that can be articulated and stored independently and is constructible, expressible (Nonaka and Takeuchi, 1995), and easily communicated (Grant, 1996) forms the explicit component of the knowledge dichotomy. Conversely, tacit knowledge is embedded deep in people’s minds and is part of cognitive thought and perception. Tacit knowledge is not easily shared (Wang, Ashleigh, and Meyer, 2006), and any attempts to share can be slow, costly, and uncertain (Kogut and Zander, 1992 in Grant, 1996).
Knowledge management is a method for simplifying and improving the process of sharing, distributing, creating, and understanding a company’s knowledge (Nonaka and Konno, 1998). Among the many activities in knowledge management, knowledge sharing is acknowledged as the most common (Ford, 2001 in Al-Alawi, Al-Marzooqi and Mohammed, 2007). Knowledge sharing is often alluded to as the process of sending and receiving knowledge between and among individuals, teams and groups, organisational units, and organisations (Gupta and Govindarajan, 2000; Klein 2008). Knowledge sharing is gaining more and more recognition from researchers because of its potential benefits to individuals and organisations (Jonsson and Kalling, 2007; Yi, 2009) and is critical to a firm’s success (Davenport and Prusak, 1998). Although it is acknowledged that there are inherent benefits to tacit knowledge, in general, people are reluctant to share it because of various reasons stemming from systems and processes, trust, motivation, leadership (Abzari and Teimouri, 2008), and organisational culture (Al-Alawi et al., 2007; Davenport and Prusak, 1998; McDermott and O’Dell, 2001).

Culture is often considered the key inhibitor of effective knowledge sharing in organizations (Ford and Chan, 2003; McDermott and O’Dell, 2001). Organisational culture constitutes espoused beliefs, values, rules, behavioural norms, visible artefacts, and basic underlying assumptions (Schein, 2004, p. 59). Knowledge-sharing cultures vary within and between organisations (Conelly and Kelloway, 2003). For example, Mitchell (2008, p. 71) postulates “that effective knowledge sharing occurs in organisations where the culture of sharing is the norm”.

There are only a few studies on the influence of organisational culture on knowledge sharing (Sackmann and Friesl, 2007); however, there are gaps in the body of knowledge on the influence of organisational culture types on tacit knowledge-sharing behaviour. Thus, the aim of this conceptual framework and eventual research is to bridge this gap.
1.2. Research Problems

The resource-based view is anchored on the premise that an organisation’s success is contingent on how effectively it uses its resources (Barney, 1991; Drucker, 2000; Grant, 1996; Penrose, 1959), and knowledge is acknowledged as one of the most important resources (Drucker, 1993). Management of knowledge within organizations has become a critical activity (Kingston and Macintosh, 2000), and knowledge sharing is acknowledged as the most common knowledge management activity (Ford, 2001). Among the myriad factors that facilitate knowledge sharing, prior research has consistently identified organisational culture as one of the most distinct (e.g., Abzari and Teimouri, 2008; Al-Alawi et al., 2007; Chin-Loy and Mujtaba, 2007; McDermott and O’Dell, 2001; Román-Velázquez, 2005). The inherent benefits of sharing knowledge in organisations have been argued by both scholars and management practitioners. However, in general, people are reluctant to share knowledge, and among the various reasons cited, organisational culture is a major factor (Al-Alawi et al., 2007; Davenport and Prusak, 1998; McDermott and O’Dell, 2001). Organisational culture is often difficult to understand and tends to be taken for granted (Schein, 2004). Thus, the first research problem is that most empirical studies have taken a descriptive approach in identifying organisational culture, and there are only limited studies that have adopted a diagnostic approach. The diagnostic approach is expected to reduce the levels of abstraction in determining and understanding organisational culture. Therefore, the conceptual framework developed in this paper is based on a diagnostic approach using the organisational culture assessment instrument (OCAI) (Cameron and Quinn, 2006).

There are limited studies on the influence of organisational culture and knowledge sharing (Sackmann and Friesl, 2007); however, most of these studies have adopted a broad and general view of knowledge without isolating the tacit and explicit components. This is the second and more compelling research problem. Explicit knowledge is typically embedded in organisational systems and processes and is highly visible in all kinds of documents and databases. Conversely, tacit knowledge is embedded in people’s minds and requires the active and willing participation of the individual to be shared (Davenport and
Explicit knowledge artefacts may confound research findings as evidence of knowledge-sharing behaviour, while, in contrast, there may be minimal or no artefacts related to tacit knowledge. The problem becomes even more visible when the high value and volume of tacit knowledge in the organisation is considered (e.g., Buckman, 2004; Davenport and Prusak, 1998; Mooradian, 2005; Smith, 2001).

A mix of the first and second research problems gives birth to a potent combination of challenging issues to the researcher. However, the benefits of such an under-investigated area cannot be denied. The conceptual framework forwarded in this paper is premised on these research gaps.

1.3. Objective

The objective of this paper is to develop a conceptual framework to examine the influence of organisational culture types on tacit knowledge-sharing behaviour.

2. Literature Review

2.1. Theories and Concepts

To carry out activities and to produce goods and services, organisations need resources. The importance of resources for the success and even existence of organisations has been the focus of many studies (e.g., Barney, 1991; Grant, 1996; Penrose, 1959). Grant (1996) postulates that the knowledge-based view of an organisation, an outgrowth of the resource based view, focuses on knowledge as the most strategically important of the firm’s resources. This view resonates with that of other scholars (e.g., Cantú, Bustani, Molina and Moreira, 2009; De la Vega and Stankosky, 2006, Drucker, 2000).

Most researchers and practitioners agree that a major part of knowledge in an organisation is in tacit form (e.g., Buckman, 2004; Mooradian, 2005). Smith (2001, p. 311) reports that 90 percent of the knowledge in any organization is embedded and synthesized in people’s heads. Tacit knowledge is personal, context specific, and difficult to formalise and communicate (Nonaka and Takeuchi, 1995). Polanyi (1962)
concisely sums up tacit knowledge with the phrase “we know more than we can tell”. Tacit knowledge is the antithesis of explicit knowledge. It not easily shared through conventional instruments, such as documents, databases, systems, and processes (Kreiner, 2002). Davenport and Prusak (1998, p. 81) argue that codifying tacit knowledge is difficult but that its substantial value makes it worth the effort. Notwithstanding the challenges cited by scholars and practitioners, the decision to focus only on tacit knowledge, instead of knowledge in general, in the current conceptual framework can be justified by reasons that include but are not limited to its substantial volume and value to the organisation.

In general, knowledge sharing is the act of making knowledge available to others within the organization (Abzari and Teimouri, 2008, p. 106). Previous research has unearthed an array of factors impeding or facilitating knowledge sharing in organisations. Al-Alawi et al. (2007) suggest that trust, communication, information systems/technology, rewards, and organization structure are positively related to knowledge sharing in organizations. Among the myriad factors that facilitates knowledge sharing, organisational culture has been identified consistently by most scholars (e.g., Abzari and Teimouri, 2008; Al-Alawi et al., 2007; Chin-Loy and Mujtaba, 2007; McDermott and O’Dell, 2001; Román-Velázquez, 2005); however, most of these researchers described organisational culture abstractly.

Citing prior scholarly research, Cameron and Quinn (2006) posit that attention to the concept of organisational culture began seriously in the 1980s. They argue that taken-for-granted values, underlying assumptions, expectations, and definitions already in existence contributed to the reason for ignoring organisational culture as an important factor. The argument (or assumption) that organisational performance is intricately intertwined with certain organisational cultures has been the subject of interest of many researches and practitioners (e.g., De Long and Fahey, 2000; McDermott and O’Dell, 2001; Schein, 2004). Organisational behaviour is determined more by its culture than by directives from senior management, and the implementation of strategies in many organisations is affected if they are at odds with the organisation’s culture (Jarnagin and Slocum, 2007).
Understanding and diagnosing culture, especially organisation culture, has been the subject of much debate. Various theories and tools have been presented by scholars (e.g., Cameron and Quinn, 2006; Schein, 2004). Among the various theories and models is Cameron and Quinn’s (2006) competing values framework (CVF), which has been widely used in research on organisational culture (e.g., Chin-Loy and Mujtaba, 2007; Román-Velázquez, 2005). The fundamental premise of CVF is that organisations can typically be diagnosed as having any one or a combination of four culture types: clan, adhocracy, market, and hierarchy. Cameron and Quinn also developed the OCAI in conjunction with the CVF. They contended that though they developed a longer version of the OCAI, the more parsimonious version was equally predictive of an organisation’s culture. The CVF and OCAI have been used in more than 1000 organisations and have been found to predict organisational performance (Cameron and Quinn, 2006).

Most leaders recognise organisational culture as the most significant barrier to creating and leveraging knowledge assets (De Long and Fahey, 2000). Milne (2007) posits that, in general, employees are motivated to hoard rather than to share knowledge to maintain a competitive advantage; however, researchers have argued that an organisational culture that encourages knowledge sharing can be developed with the right incentives (Al-Alawi et al., 2007; McDermott and O’Dell, 2001; Milne, 2007), leadership (Jain, Sandhu and Sidhu, 2006; Nayir and Uzuńçarşili, 2008), and technology (Al-Alawi et al., 2007), among others.

2.2. Prior Empirical Studies

Prior research has shown that organisational culture influences knowledge management activities, among which knowledge sharing has been cited as a major activity in organisations (e.g., Abzari and Teimouri, 2008; Al-Alawi et al., 2007; Barachini, 2009; Chin-Loy and Mujtaba, 2007; Goh and Hooper, 2009; Román-Velázquez, 2005; Sveiby and Simons, 2002). Scholars have employed various tools to identify or diagnose organisational culture, and as mentioned previously, among these tools, Cameron and Quinn’s (2006) CVF is highly regarded and widely used (e.g., Chin-Loy and Mujtaba, 2007; Helfrich et al., 2007;
Hooijberg and Petrock, 1993; Román-Velázquez, 2005). There have been a few studies on the impact of organisational culture on knowledge-sharing behaviour in organisations (e.g., Abzari and Teimouri, 2008; Al-Alawi et al., 2007; Barachini, 2009; Chin-Loy and Mujtaba, 2007; Goh and Hooper, 2009; Román-Velázquez, 2005; Sveiby and Simons, 2002); however, studies focussing on the influence of organisational culture specifically on tacit knowledge-sharing behaviour do not share the same level of prolificacy.

Chin-Loy and Mujtaba (2007) employed the CVF to profile the relevant organisations’ prevailing culture type, and they used the knowledge management assessment instrument (Lawson, 2002 in Chin-Loy and Mujtaba, 2007) to detect the existence of knowledge management activities; such as creating, capturing, organising, storing, disseminating, and applying knowledge. This study particularly focussed on examining the moderating effect of organisational culture on the relationship between knowledge management and organisational benefits through growth, innovation, and competitive advantage.

Chin-Loy and Mujtaba (2007) demonstrated that there was a positive relationship between organisational culture types and knowledge management programs, and they postulated that identifying and understanding organisational culture type may bridge the gap in understanding the drivers necessary to foster successful knowledge management programs. The current conceptual framework differs from that of Chin-Loy and Mujtaba in at least two aspects: (1) the study of knowledge sharing instead of the much broader knowledge management elements, and (2) the focus particularly on tacit knowledge instead of overall knowledge as a general dimension.

Al-Alawi et al. (2007) used Gupta and Govindarajan’s (2000) framework to diagnose both the organisational culture in the respondents’ workplace and various knowledge-sharing elements selected from among several sources. In general, their findings were in line with those of Chin-Loy and Mujtaba (2007)—that organisational culture is important for knowledge sharing to take effect in the workplace—though their methodologies, diagnostic tools, and arguments differed. Al-Alawi et al. also identified
dimensions from Gupta and Govindarajan’s framework as organisational culture factors, including trust, communication, information systems, reward systems, and organisation structure. Again, their research findings concluded that organisational culture has a positive relationship to knowledge sharing in organisations. However, Al-Alawi et al.’s research lacked a robust diagnostic tool to determine the organisational culture and thus subjects the research element to further scrutiny regarding the validity of the findings. Although Gupta and Govindarajan purport that their framework is supported by empirical research, there is insufficient evidence of the framework’s use in other scholarly research to justify validity and reliability. This is in contrast to the CVF and its accompanying tool, the OCAI (Cameron and Quinn, 2006), which have been validated by rigorous academic research (e.g., Cameron and Quinn, 2006; Chin-Loy and Mujtaba, 2007; Helfrich et al., 2007; Hooijberg and Petrock, 1993; Román-Velázquez, 2005).

Thus, the current conceptual framework differs from that of Al-Alawi et al. (2007) in at least two aspects: (1) the use of CVF and OCAI to diagnose organisational culture, instead of using Gupta and Govindarajan’s (2000) framework, and (2) the specific focus on tacit knowledge only instead of knowledge in a broader context.

Another empirical study that identifies knowledge culture type using CVF and OCAI and its relationship to knowledge management practices was conducted by Román-Velázquez (2005). In this study, Román-Velázquez employed the CVF and OCAI to diagnose organisational culture and suggested the validity and reliability of the framework by citing various studies (e.g., Hooijberg and Petrock, 1993; O’Neill and Quinn, 1993; Quinn, 2001; Yeung et al., 1991). Román-Velázquez exhibited a practical understanding of the problems in the adoption of knowledge management in organisations, citing among other things the fixation on technology as a key driver rather than relegating it to its due role as an enabler. The research findings revealed that knowledge management was widely accepted and implemented in the studied organisations. Chin-Loy and Mujtaba (2007) alluded to the same finding, but they deliberately set out to study organisations that already had a knowledge management programme in place; in contrast, Román-
Velázquez came to his conclusion based on the responses to his survey and did not inject such a bias in selecting respondents. Thus, Román-Velázquez concluded that organisations that have a dominant hierarchy culture type have a lower likelihood of success in implementing knowledge management initiatives than organisations that are clan, market, or adhocracy culture types. He also found a positive and significant relationship between organisational and work unit cultures.

Thus, the current conceptual framework differs from that of Román-Velázquez (2005) in at least two aspects: (1) the study of knowledge-sharing behaviour instead of the much broader knowledge management elements, and (2) the focus on only tacit knowledge instead of knowledge as a general dimension.

Little previous research effort has been expended on the development of a valid and reliable measure of knowledge-sharing behaviour; however, Yi’s (2009) research produced a new measure with appropriate psychometric standards of internal consistency, reliability, and content validity. Yi revised existing scale development procedures and rigorously refined the knowledge-sharing behaviour scale using the pilot study approach to purify the scale. Yi’s research succeeded in identifying important knowledge-sharing behaviour constructs. A new taxonomy was proposed that categorised knowledge-sharing behaviour into four dimensions: written contributions, organisational communications, personal interactions, and communities of practice. A limitation of Yi’s study was that it focussed on respondents from high-technology companies, and it is known that such industries are knowledge intensive. However, this in no way impedes the use of Yi’s model, because the interest herein is in the knowledge-sharing behaviour constructs relevant to the current conceptual framework.
3. **Conceptual Framework**

Cameron and Quinn (2006) identified two major dimensions—namely, (1) flexibility and discretion and stability and control and (2) internal focus and integration and external focus and differentiation—that organise the indicators into the four main clusters of clan, adhocracy, hierarchy, and market. These dimensions and clusters make up the CVF (see Figure 1). The OCAI is in the form of a questionnaire and can be used to diagnose organisational culture (Cameron and Quinn, 2006).

Figure 2 illustrates the theoretical model developed for this study. The fundamental premise of this model is that each of the various dominant culture types can affect tacit knowledge-sharing behaviour differently. The framework proposes that knowledge-sharing behaviour may be evidenced by all or a combination of the following:

a. Direct assessment of tacit knowledge-sharing behaviour through ethnographic studies,

b. Organisational communications (Yi, 2009),

c. Personal interactions (Yi, 2009),

d. Mentoring/tutoring (Román-Velázquez, 2005),

e. Willingness to share knowledge freely (Davenport and Prusak, 2000), and

f. Vertical and horizontal collectivism (Wolfe and Loraas, 2008).

The framework is proposed to diagnose organisational culture with the aid of the CVF and OCAI and to profile organisations according to the dominant culture type in the respondents’ organisation. Organisations are expected to be classified as follows:

i. **Clan culture:** A friendly place to work where people share a lot about themselves. The typical characteristics of an organisation with a dominant clan culture orientation are teamwork, employee involvement programmes, high employee commitment to the organisation and co-workers, and high corporate commitment to employees. Trust, respect for people, honest communication, and cohesive relationships (Román-Velázquez, 2005) are also among the core values of clan culture–type organisations.
ii. Adhocracy culture: Organisations that are dominant in this culture type are generally organic, and not mechanistic, and are characterised by a dynamic, entrepreneurial, and creative workplace. Employees are empowered, and risk taking is encouraged. Effective leadership is visionary, innovative, and risk oriented. The core values of employees in organisations with an adhocracy culture are innovation and change, new ideas, visionary thinking, and willingness to try new concepts (Román-Velázquez, 2005). Centralised power or authority relationships are non-existent in this type of culture; rather, both power and knowledge flow from individual to individual. Knowledge sharing is a pre-condition for success.

iii. Market culture: The term “market” is not synonymous with the marketing function or consumers in the marketplace; rather, it refers to a type of organisation that is externally focussed on its stakeholders. The major focus of organisations in this culture type is to conduct transactions with other stakeholders to create competitive advantage. Competitiveness and productivity form the foundation of market culture–driven organisations. Winning is everything in this type organisation (Cameron and Quinn, 2006), and this competitiveness is expected to trickle down to the individual level. Knowledge becomes a proxy for power, which destabilises knowledge sharing, especially tacit knowledge.

iv. Hierarchy culture: In general, organisations dominated by this culture are characterised by formalised and multiple hierarchical structures. Standardised procedures govern people’s actions, and there is minimal or no discretionary powers vested in employees. Emphasis is on rule reinforcement, and the long-term concerns of the organisation are stability and predictability. The hierarchy culture nurtures the use of standard operating procedures and best practices and has multiple layers of vertical (position) and horizontal (work units) silos operating relatively in isolation. The structures and power relationships act as barriers to tacit knowledge sharing in these organisations.
It would be naive to believe that there are only four organisational culture types (Cameron and Quinn, 2006); however, to minimise the introduction of reliability and validity issues by introducing other organisational culture types, we restrained from cherry-picking organisational culture types found in other literature.

4. Conclusion

Aside from increased competition from traditional sources, organisations are facing threats from non-traditional sources, especially through cyberspace and mobile communications. The inability to leverage the intellectual assets of the organisation may be fatal. In this respect, it would be prudent to determine the factors that impede the flow of knowledge in the organisation and to take corrective action.

This paper contributes significantly in the development of a comprehensive framework to investigate the influence of organisational culture types on tacit knowledge-sharing behaviour. Evidence of a reasonable volume of research in the area of organisational culture and knowledge management exists; however, no such research has been detected in the area of organisational culture types and specifically tacit knowledge-sharing behaviour. This conceptual framework is expected to bridge this gap. In addition, further research should be conducted on other factors that may impede tacit knowledge-sharing behaviour in organisations to offer practitioners a comprehensive model with which to work.
References


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Figure 1: Competing Values Framework (Cameron and Quinn, 2006, p.35)

Figure 2: Conceptual Framework