

Impact of Value Based Perspective of Organizational Culture on Knowledge Management Process: A Case Study of Banking Sector of Pakistan

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Abstract-Different organizations have different cultures. Mostly employees spend more time at their workplace, culture of their organization affects both their work lives also their personal lives. This study aims to explore that how knowledge management process can be influenced by organizational culture in banking sector. Knowledge management process and organizational culture are the emerging topics in workplaces which magnetize scholars to discover for future implications. This research is conducted in the banking sector of Pakistan which is based on the responses from 300 employees. The results are highly significant; knowledge management process and organizational culture have strong relation. Hence, our findings indicate that value perspective of organizational culture has strong impact on KM process. The study also gives some future directions for more research.

1. INTRODUCTION

Basically KM is a dynamic and unbroken practices or processes implanted in human beings also in groups and physical arrangements. So in an organization, always individual and groups may concern with different features of knowledge management process (Pirkkalainen and Pawlowski, 2014)[10].

Thus, KM has to be measured as a series of actions and experiences such as creation, storage, transfer, and application of knowledge which eventually guide to KM results (Eaves, 2014)[2]. According to Bedford, (2013)[1] in knowledge management process, person attempts are frequently observed to disagree with organizational culture.

According to Schein (1999)[11], every difficulty in the knowledge management process along with people is first and foremost related to the emotional atmosphere of the firm, which totally depends on the culture of the organization.

Knowledge management involves processes which make possible the purpose and expansion of organizational knowledge and aims to explore worth and to increase competitive benefit for the organization. In this study main focus on knowledge management process and organizational culture that how organizational culture can affect the KM process in Pakistani public and private banks. Basically Pakistan is a developing country where knowledge management practices are not in practice so there is a need to enhance these practices.

In the banking sector it is very important to understand about the values and behaviors of the employees because many sectors do not emphasize on the values and behaviors due to which many problem arises. So it is very

important to study these values and behaviors. So this study will answer these that (a) Is there any connection between organizational culture and knowledge management process? (b) Does organizational culture has impact on KM process? (c) Is value perspective of organizational culture has effect on KM process as behavioral perspective has?

2. LITERATUER REVIEW

2.1 Knowledge Management Process

KM process is stated i.e. process to capture, store, share, and use knowledge (Leidner et al, 2006)[7]. Knowledge management process is the creation, demonstration, storage, transmissions, conversion, application, implanting, and defense of knowledge in organization (Massey and Montoya-Weiss, 2006)[8]. The systematic consideration of knowledge in firms is in early life regardless of a large literature paying attention on culture of organization, knowledge and knowledge management process (Pawlowski and Bick, 2012)[9].

The knowledge management process put emphasis on knowledge for creating, sharing and applying via societal associations and suitable culture of organization. So, knowledge of how to promote helpful organizational culture which supports workers to encompass the purpose to make sure that creation, storage, transfer and application of knowledge is necessary (Leidner and Kayworth, 2006)[7].

2.2 Organizational Culture

According to Schein (1999)[11] organizational culture can be said as collection of common, understood statements which embraces by a group and that decide how this recognizes, imagines and act in responses toward

these diverse surroundings. Hofstede et al. (1990)[4] demonstrated that behavioral perspective spotlights culture delineated through real job practices. In opposite, the culture according to value perspective highlights on the perception of thoughts, ideas, faith and values, which are unseen in the organization because the grounded establishments of culture (sociability, need for achievement culture) intimately connected through KM (Jarvenpaa& Staples 2001)[5]. The results oriented culture values employees' personality preferences, and as a result be likely to support individuals to innovate with the intention of create (Kayworth&Leidner 2003;[6] Wei 2005)[13].

2.2.1 Need for Achievement

It emphasizes significance set for improvement or reputation within organization (Hofstede et al. 1990)[4]. The workplace where culture strengthens need for achievement may raise commitment, pleasure or consequently enhance possibility of worker featuring possession. Workers who recognize about culture that elevated by need for achievement fond of believing in ownership of knowledge. (Jarvenpaa& Staples 2001)[5].

Organizational Culture

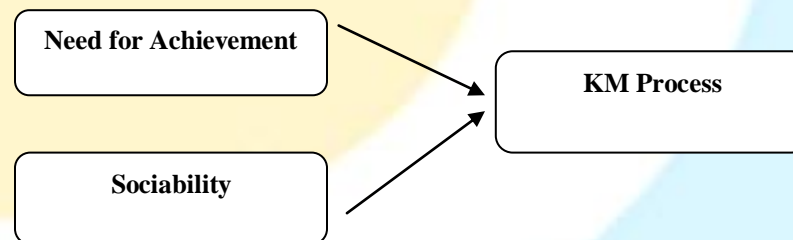


Figure 1 : Conceptual Framework

2.4 Hypothesis Development

H1: Need for achievement culture has impact on KM process.

The workplace where culture strengthens need for achievement may raise commitment, pleasure or consequently enhance possibility of worker featuring possession. Workers who recognize about culture that elevated by need for achievement fond of believing in ownership of knowledge. (Jarvenpaa& Staples 2001)[5].

H2: Sociability culture has impact on KM process.

Sociability defines the emotional and non-instrumental associations which are present within an organization, for example the friendliness among members of a community. Sociability formulates work enjoyable, cultivates teamwork, encourages information sharing, and generates openness to new ideas. (Smith and McKeen, 2003)[12].

2.2.2 Sociability

It is a measurement of checking sincerity and friendliness amongst community affiliates. Sociability encourages teamwork and a setting in which persons go ahead of the obligations of work to assist people be successful (Hofstede et al. 1990)[4]. Sociability be connected through frankness, signify lessen propensity to organize knowledge and utilize (Woodman & Zade 2011)[14].

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High sociability reinforces the relations needed to articulate and recognize creative thinking and builds an environment where people are more likely to go ahead of the official requirements of their jobs. It also supports helping and sharing behavior. (Goffee& Jones, 1996)[3].

2.3 Theoretical Framework

3. RESEARCH METHODOLOGY

Employees of public and private banking sector are selected for this research. In sampling techniques we have chosen simple random sampling techniques. 500 questionnaires were distributed among the public and private bank of Islamabad, Rawalpindi, Lahore, Faisalabad and Multan.

Data is collected from officer's grade employees, OG I, II, III through questionnaire. Among 500 questionnaires 390 were returned out of which 300 were completely answered.

4. DATA ANALYSIS

The survey results represented that, there were 69.7% of male and 30.3% female.

The first hypothesis was to confirm the relationship of need for achievement and KM process. With the significance level at P .000 this ensures that need for achievement has significant impact on KM process.

Table 1 Regression analysis of Need for achievement and KM process

| Predictor | R ² | F | Beta | Sig. |
|----------------------|----------------|--------|------|------|
| Need for Achievement | .077 | 21.667 | .278 | .000 |

The second hypothesis was to ensure the relationship of sociability and KM process Value of beta is .387 at significance level P .000. This value ensures sociability has important impact on KM process Intention of individual.

Table 2 Regression Analysis of Sociability and KM process

| Predictor | R ² | F | Beta | Sig. |
|-------------|----------------|--------|------|------|
| Sociability | .149 | 49.437 | .387 | .000 |

5. CONCLUSION

There is importance of value perspective of organizational culture in banking sector. Value perspective includes many dimensions such as sociability, solidarity, democracy and need for achievement (Jarvenpaa and Staples, 2001)[5], so in this study two dimensions of value perspective (sociability and need for achievement) are used to implement KM process and show impact on it. In this research the main contribution is to study the relationship of the dimensions of value perspective of organizational culture and knowledge management process.

So such type of study was not conducted before in which value perspective of organizational culture is showing their impact on knowledge management process.

6. FUTURE RESEARCH

In this research study only two dimensions of value perspective of organizational culture is used to analyze the result. Future research should be done by including all the dimensions of value perspective to see their impact on knowledge management process. Lastly future research can also be done by adding KM culture as moderator or mediator in the model developed in this study.

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