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**Organizational Culture Factors  
that Can Influence Knowledge Transfer**

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**Abstract:** The paper tries to establish the correlation that exists between the types of organizational culture and the factors that influence knowledge transfer. We started from the hypothesis that organizations which have high scores for cultural factors of openness to change and innovation as well as for task-oriented organizational growth will have the tendency of being favourable to knowledge transfer. Moreover, we started from the hypothesis that organizations that have high scores for bureaucracy and competition factors will have the tendency of being unfavourable to knowledge transfer. The research reached the conclusion that there seems to be a correlation between organizational culture and the factors that influence knowledge transfer.

**Keywords:** organizational culture; knowledge transfer; innovation; organizational growth

## **1 Introduction**

Once with being aware of the importance of knowledge and education, organizations started to research the way in which they could increase organizational knowledge in order to achieve a strategic advantage. A special interest was given to knowledge transfer. There has been an increase in the interest given to the exploitation of knowledge transfer lately, as it offers a cheap alternative to the creation and codification of new knowledge. A practitioner said: “We used to say knowledge is power. Now we say that sharing it is power”. The increasing share of knowledge can create the benefits of increasing organizational knowledge, without needing the energy and costs associated with the creation, codification or acquisition of additional knowledge. The increase in the quantity of knowledge transferred within an organization has the potential of saving the organization’s funds, offering it, at the same time, a better position in order to deal with the future challenges; however, the organizational culture is a powerful force – one that can impede the implementation of knowledge management in an organization. Specifically, the organizational culture can affect the organization’s ability to transfer knowledge, as that culture may encourage individuals either to be reluctant to search for and receive knowledge or to be reluctant to transfer the knowledge they possess. To the extent to which this statement is true, it is important for us to know what types of organizational cultures support knowledge transfer. In order to study this matter, the study aims to establish whether there is a correlation between the types of organizational culture and the factors influencing knowledge transfer.

## **2 The Factors Influencing Knowledge Transfer**

In philosophy, the study of knowledge has its own name, epistemology. In epistemology, the traditionally accepted definition is that knowledge represents a justified true belief. According to more recent literature, knowledge is not information, nor is it data, but it is made of both categories. Data is, generally, defined as facts, devoid of structure or context, or free of the previously existing structure and context. Information is, generally, defined as data endowed with meaningful structures. Knowledge, on the other hand, represents information endowed with context. Therefore, knowledge, although consisting in data or information, is something more. Additionally, many definitions of knowledge add that it has to exist in the mind of a human being. In other words, whereas a computer can store and transmit data as well as information, only a human being can store and transmit knowledge. Another point of view on knowledge divides it into explicit and tacit. Explicit knowledge is knowledge that can be explained, whereas tacit knowledge cannot be explained. Knowledge can be explicit, tacit or a combination of the two types. Moreover, knowledge can become more explicit or more tacit as a person learns or is better able to utter what he thinks.

Finally, it is useful to understand the personal nature of knowledge. All knowledge is inertly personal, all knowledge having a tacit component when it is inside a person's mind. Therefore, when knowledge is transferred from one person to another it changes, in the sense that the other person has to interpret the knowledge in the context of his or her own person. Under these circumstances, one can state that the traditional philosophical definition of knowledge, as justified true belief, becomes irrelevant in practice because knowledge means different things to different people. Thus, a revised definition is necessary: knowledge is a dynamic human process of justifying personal belief towards the truth. There are three main components of knowledge management: knowledge creation, knowledge codification and coordination and knowledge transfer. Although knowledge transfer is just one of the three aspects of knowledge management, it is an extremely important one, as the widespread use of information that is already to be found within the organization can represent a very profitable use of resources. One of the phenomena related to knowledge is that, unlike material assets, which decrease as they are used, knowledge assets increase as they are used: ideas breed new ideas, and shared knowledge remains to the one offering it, but at the same time enriching the one who receives it. Therefore, knowledge transfer is a corollary of knowledge creation. Once knowledge is created, it behaves as an economy of scale when it is shared – on the one hand, because it can be used at the same time by various people, and on the other hand because shared knowledge stimulates the creation of new knowledge. Moreover, knowledge transfer seems to be reducing the overall organizational costs by preventing the fact that a second group of individuals repeating the mistakes of a first group of individuals. In fact, it seems that intensive knowledge transfer is as important as knowledge creation – maybe even more important, if we take into consideration the overall organizational costs

Four factors that seem to influence knowledge transfer have been discovered. These include: relational channels, partner similarity, organizational self-knowledge and divergence of interests. The quality of transferred knowledge (tacit or explicit) affects knowledge transfer. Specifically, the more tacit the knowledge, the more difficult it will be to transfer this knowledge. However, if all knowledge has a tacit component, then in order to transfer knowledge effectively, a sort of relational channel is necessary, defined broadly as a two-way individual to individual contact. An organization with many relational channels for knowledge transfer may expect more knowledge to be transferred than an organization which has fewer such channels. Relational channels provide the individual to individual connection necessary to support transfer of tacit knowledge. In this case, more relational channels will represent more and varied sources of shared information. For this reason, an organization which

promotes many relational channels for knowledge transfer can be considered a fertile organization in terms of knowledge transfer.

We can imagine that, similar to the tacit - explicit continuum, the complexity of knowledge that will be transferred influences the transfer. In fact, it is more likely that the similarity of individuals who make the transfer will influence the transfer. A recent study showed that partner similarity is a strong predictor of knowledge transfer between organizations – especially strategic similarity. An organization with many similar partners can expect more knowledge to be transferred than an organization which has fewer similar partners, because the first one reduces the complexity of achieving the understanding of the complex concepts. In an organization where all members have a similar training, level of education and experience, it is more likely that its members will understand a mission in the same way and share a strategic similarity. Strategic similarity among all members of an organization will reduce barriers to sharing and it will thus increase knowledge transfer. For these reasons, an organization which encourages attracting similar partners, strategic allies can be considered an organization favourable to knowledge transfer. The concept of organizational self-knowledge refers to the extent to which individuals are aware of what they know, as individuals, and what those around them know. This concept is a key premise for knowledge transfer, because without self-knowledge, it is very likely that the knowledge sender and receiver will never meet to make a transfer. An organization whose members possess organizational self-knowledge may expect more knowledge to be transferred than an organization whose members possess little organizational self-knowledge. Their shared understanding of what each of them knows and of what the others know facilitates the connections necessary for knowledge transfer. For this reason, an organization that encourages its members to keep and increase the level of organizational self-knowledge can be considered a fertile organization in terms of knowledge transfer. It is clear that any dysfunction on behalf of the knowledge sender or receiver in terms of the intention to transfer knowledge will impede the emergence of a knowledge transfer. It has been established that individuals' interests and those of the organization have the tendency of being divergent. Based on this reasoning, it is possible that the divergence of interests might have the tendency of inhibiting knowledge transfer.

An organization where the members' interests are divergent may expect less knowledge to be transferred than an organization whose members have convergent interests. A divergence of interest seems to increase the probability of common interest behaviours, to the detriment of the general organizational performance – because individuals either do not understand the way in which organizational performance brings them advantages or they do not care. For these reasons, an organization that does not encourage its members to acknowledge and to compensate for the costs of knowledge transfer can be considered an unfavourable organization to knowledge transfer. From an organizational point of view, the collective values and beliefs of the individual members of that organization represent what we call organizational culture. This is a pattern of basic assumptions belonging to the people in the organization, which is used for approaching adaptation and integration issues. A number of factors related to organizational culture have been identified. Four of these factors can be considered as types of organizational culture. The types of culture open to change/innovation contain the following concepts: humanist orientation, affiliation, achievement, self-updating, support in task accomplishment, innovation in task accomplishment, participative management. An organization that gets high scores on this factor can be considered friendly and open to change.

The types of organizational culture oriented towards task accomplishment include the following concepts: being the best, innovation, attention to details, quality orientation, profit orientation and shared philosophy. An organization that gets high scores on this factor can be considered task

oriented, as opposed to people oriented. The types of bureaucratic culture include the following concepts: approval, conventionalism, dependence, avoidance and lack of personal freedom. It is a formal culture with centralized decision making. An organization that gets high scores on this factor can be considered conservative or defensive. The types of competitive organizational culture contain the following concepts: oppositional orientation, power, competition and perfectionism. It is a culture in which perfectionism is the goal, and where individuals may have the tendency of reacting negatively to the ideas of others and/or being reluctant to new ideas. An organization that gets high scores on this factor can be considered a perfectionist organization. In a negative way of putting things, this organization can be named a dog eat dog organization. Having explored the organizational culture, the issue that arises is what particular types of organizational culture can be identified as favourable or unfavourable in terms of knowledge transfer.

Based on the factors that affect knowledge transfer and the types of organizational culture mentioned above, we can issue hypotheses on the fertility of knowledge transfer for each type of organizational culture. We will try to analyse each of the four types of organizational culture in terms of the probability that this supports each of the identified factors that affect knowledge transfer. An organizational culture that is open to change, innovation and achievement seems to be one where more relational channels are likely to exist, because this will support and promote human to human communication that creates relational channels. It will probably present also partner similarity, leading to reduced frictions in knowledge transfer. Such an organization will also probably present organizational self-knowledge, which will support the search and identification of those who possess knowledge worthy of being shared. Finally, such an organization is likely to have few divergences of interest, as openness and communication will probably promote the type of communication that leads to shared understanding and, therefore, to common goals. Such an organization is probably fertile for knowledge transfer. An organizational culture that seems interested in being the best and being innovative seems to be one that supports open relational channels, as a way of achieving excellence and innovation goals. Due to this fact, it is also likely to have partner similarities in the important field of shared goals and interests. Such an organization will probably promote organizational self-knowledge as a way of assuring a large understanding of the ways in which organizational excellence and innovation goals can be achieved. In the broad field of organizational goals, it is likely to have few divergences of interests; as such divergences will probably act against achieving the organizational goals. An organizational culture that is oriented towards task accomplishment can be considered, in this way, a fertile organizational culture in terms of knowledge transfer. An organizational culture that is bureaucratic seems to be one in which relational channels are not well developed. The wish for conventionalism and originality avoidance will act against the establishment of such channels. It may present little partner similarity, particularly in the important field of developing tacit knowledge. This development would act against conformity and lack of points of view organizational structure. Due to the fact that the focus is on conformity and following rules, there will be little support for development of organizational self-knowledge. Finally, there would probably be many divergences of interests, because personal interests would not play an important role in the organization's operations. Therefore, personal interests would be less important, and so there would be fewer reasons for communion to exist. Thus, such an organization will probably be relatively infertile in terms of knowledge transfer.

An organizational culture that is marked by competition and confrontation seems to be one where relational channels will be limited and protected, in order to protect individuals within the organization from the negative effects of competition and perfectionism. The partner similarity and organizational

self-knowledge will also be reduced for the same reason. Due to the need of such an organization to protect against the confrontational approach, there will be a lower development of the type of communication that develops partner similarity and organizational self-knowledge. In such an organizational culture, divergences of interests will probably be numerous, since each member of the organization will aim to achieve his personal goals within a competitive, perfectionist organization. Therefore, such an organizational culture will probably be infertile in terms of knowledge transfer.

Based on the discussions referring to the factors that affect knowledge transfer and the types of organizational culture we can create the following hypotheses:

1. Organizations that have an organizational culture with “openness to change/innovation” will have:
  - a) more relational channels;
  - b) higher partner similarity;
  - c) more organizational self-knowledge;
  - d) less divergences of interests than those that do not have an organizational culture with “openness to change/innovation”.
2. Organizations that have an organizational culture of “organizational growth oriented towards task accomplishment” will have:
  - a) more relational channels;
  - b) higher partner similarity;
  - c) more organizational self-knowledge;
  - d) less divergences of interest than those that do not have an organizational culture of organizational growth oriented towards task accomplishment.
3. Organizations that have a “bureaucratic” organizational culture will have:
  - a) fewer relational channels;
  - b) lower partner similarity;
  - c) less organizational self-knowledge;
  - d) more divergences of interest than those that do not have a “bureaucratic” organizational culture.
4. Organizations that have a “competitive/confrontational” organizational culture will have:
  - a) fewer relational channels;
  - b) lower partner similarity;
  - c) less organizational self-knowledge;
  - d) more divergences of interest than those that do not have a competitive/confrontational organizational culture.

The research method was the cross-sectional questionnaire in order to measure the correlation between the four types of organizational culture taken into consideration in this research and the factors influencing knowledge transfer. In order to identify the four indicators of knowledge transfer, we used the indicators’ description from the specialist literature. The initial questionnaire was made up of 90 items, using a five-point Likert scale. The five-point scale was chosen so as to keep the questionnaire in accordance with the FOCUS questionnaire, which uses a five-point Likert scale. The 90 items were randomly ordered to reduce any interaction between similar questions – reducing the respondent’s ability to guess the expected answers based on the previous questions.

### **3 Results**

The results we got reached the level of the confidence threshold. As it was assumed, hypothesis 1 (openness to change/innovation) and hypothesis 2 (organizational growth oriented towards task accomplishment) were strongly supported for relational channels and organizational self-knowledge and negatively for divergence of interests. Hypothesis 2 was supported for partner similarity, even though hypothesis 1 was not. Hypothesis 3 (bureaucracy) was not supported by any of the factors. Hypothesis 4 (competition/confrontation) was negatively supported for relational channels and positively for divergence of interests, but not for partner similarity. Although organizational self-knowledge, the result was close enough to suggest that this relationship needs to be exploited in more detail. After concluding this research, the answer to the study's question "is there a correlation between the types of organizational culture and the factors influencing knowledge transfer?" seems to be yes, there is a correlation between some types of organizational culture and some factors influencing knowledge transfer. After a correlation has been established between the types of organizational culture and the factors influencing knowledge transfer, this research suggests a research direction for the researchers who are interested in the interaction between organizational culture and other variables. It also establishes the basis for practitioners interested in the ways of increasing knowledge transfer in their organizations. Since constructs of organizational culture and knowledge transfer seem to be correlated, the trainee may try to measure one of the two constructs, and then to make calculated deductions on the state of the other construct in his organization. This method may reduce the time and costs of measuring these constructs, when the implementation of projects on knowledge management is wanted. This research seems to offer support to the warning of some trainees that organizational learning is a long term activity that will be a competitive advantage during time and one that requires attention, dedication and the management's constant effort. In other words, if there is a relationship between organizational culture and knowledge transfer, there cannot be rapid solutions for an organization which does not have a fertile culture for knowledge transfer. Although there is not a direct causal relationship between knowledge transfer and the organizational culture, one can argue that the change effort of management, aimed at changing the organizational culture, is a good start – with potential benefits in the field of knowledge transfer. Until the existence of such a causal relationship is proved, one can state that this is the best place to start.

However, organizational culture is sometimes difficult to manage and for this reason it is frequently neglected or not understood. Taking into consideration the long term consequences of the failure to properly manage an organizational culture, it is recommended to try this thing; however, any attempt to manage the organizational culture must begin with the management's entire dedication to spend time and effort in order to understand it. The problem of top management is not choosing the correct basic assumptions, but indentifying those which will promote successful organizational performance.

### **4 Conclusions**

The study indicated the fact that there is a correlation between some types of organizational culture and some of the factors influencing knowledge transfer. The openness to change/innovation seems to have a positive relationship with relational channels and organizational self-knowledge and a negative one with divergence of interest. Organizational growth oriented towards task accomplishment seems to have a positive relationship with relational channels and self-organizational knowledge and a negative one with divergence of interests. Bureaucracy does not manifest any significant relationship with any of the four factors that may influence knowledge transfer. Finally, competition/confrontation

manifests a negative relationship with relational channels and possibly with organizational self-knowledge and a positive relationship with divergence of interests. On the one hand, this research seems to confirm what researchers and practitioners have stated about the importance of the fact of taking into consideration organizational culture when projects of knowledge management are implemented. On the other hand, the research asks new questions, such as: if organizational culture and knowledge transfer are related, what can a manager do to assure that organizational culture is taken into consideration when he suggests a knowledge management project? The answer to this question can turn out as important for both researchers and practitioners. A limitation of the correlation research is that it cannot prove causality. In this sense, although there seems to be a correlation between the types of organizational culture and the indicators of knowledge transfer, there are no empirical proofs to prove the fact that indicators of knowledge transfer anticipate in reality a significant level of knowledge transfer. Only future confirmation research can attempt to prove this essential connection between theory and reality.

This research suggests some fields for future research. First of all, a subsequent study could research the behaviours of the two constructs of organizational culture and knowledge transfer in a longitudinal study, in order to establish a precedent for the way of interpreting the correlation proved in this research, applied to a real organization. Secondly, a subsequent study can explore the two constructs of organizational culture and knowledge transfer in a qualitative study, in order to confirm the relationship between the measured constructs and the constructs of interest, on which a hypothesis was issued in this study. Such a study could review the constructs of bureaucracy and competition/confrontation in order to establish a clearer view of their correlations with knowledge transfer and it could also search a corresponding relationship between organizational culture and the construct of partner similarity.

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