

## The Survey Role of Organizational Culture on Effectiveness Knowledge Management in Social Security Fund

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**Abstract:** Today, knowledge management is an important topic in management. Practitioners have made significant investments in information technology to support knowledge management initiatives. Recently, Researchers have identified organizational culture as an important factor in how a firm manages its knowledge. Organizations need to consider culture before engaging in knowledge management initiatives. Objective of this study is “survey role of organizational culture and its categories on effectiveness knowledge management in social security fund”. Statistical population of this study includes the whole 1050 staff personnel of social security fund and the sample includes 149 staff personnel. For gathering data in this study includes two questionnaires: for 0.906% validity organizational culture questionnaire for 0.905% validity knowledge management questionnaire have been designed.

**Key words:** Organizational culture, the effectiveness of knowledge management, social security fund, agreement, conflict

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### INTRODUCTION

Today's world is the world of information and knowledge. That's why organizations are looking for new tools to be survive, knowledge management is one of the tools that can help organizations meet the objectives. Knowledge is increasingly recognized as a vital component for organizations. It largely depends on the individual and group features people in the organizational culture and may be an important factor that plays a key role in the rejection or acceptance of knowledge management.

Therefore, in order to use knowledge effectively to achieve goals quickly we must prepare systems, storage, processing and dissemination of knowledge to access the required knowledge whenever we need. Knowledge management is the solution that in recent years has been used by many industries and organizations (Hicks *et al.*, 2007). In general, one of the factors influencing the success of knowledge management in organizations is organizational culture (Christopian, 2008). In fact, organizational culture is infrastructure of knowledge management that plays an important role in the success or failure of organizational strategy. The supporting role of organizational culture of sharing knowledge is well

expressed by experts in knowledge management as they believe that organizational culture is a suitable environment to promote the skills and knowledge needed to advance the cause of knowledge management processes.

So, as to facilitate the participation and knowledge creation, organizational culture is important. Thus, managers have found the need to use modern methods such as the correct implementation of knowledge management in their organizations and they are working to implement it. Therefore, the present study investigates the role of organizational culture on the effective implementation of knowledge management system.

### Literature review

**Organizational culture:** According to McNamara, organizational culture means the organization's personality, including the assumptions, values, forms that are the obvious signs of members and their behavior which is understood by members of an organization. Organizational culture is an independent variable in this study that is used by combining existing components of patterns Litwin Wastringer, Kurt Lewin, Peter Waterman, William Ouchi and Stephen Robbins. In fact, in this model, Robbins's model (including ten features: individual

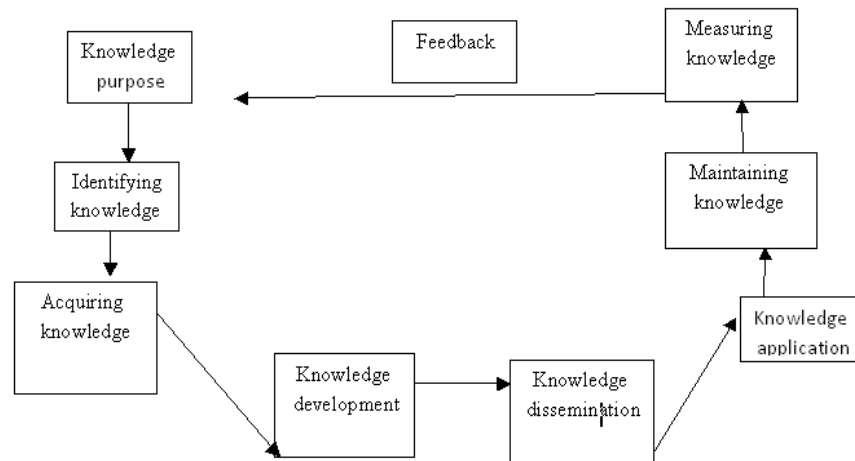


Fig. 1: The core of knowledge management cycle model consists of six components as follows

innovation or individual creativity, risk-taking, direction or leadership, integrity or management relationship management support, monitoring, identity or organization belonging, reward system, enduring conflict or compromise with conflict phenomenon and communication patterns) covers the most other models in this study than five components of organizational culture. In this study, organizational culture include the following.

**Individual creativity:** Innovation involves all the work and effort that puts the organization in a new strategic area. Innovation can develop and create new product or service, manufacturing processes and new products, new technology or changes in the strategic direction of the organization (Fani and Nejad, 2002).

**Management support:** One of the dimensions of manager's support is to help employees that sometimes goes beyond organizational life. In other word, the manager depends on the employees in order to achieve the goals. So, it is clear that the manager should help the employees and answer their needs. Organizational: identity is degree or level that people know the organization as their representative. Organizational identity is defined by some experts as the collective perception of members about different aspects of the organization (Fani and Nejad, 2002). Agreement to conflict is degree or level that people are encouraged to compromise the conflict or accept the clear criticism. Organizations that provide the opportunity for their employees to comment on the issues and welcome any criticism rationally.

**Leadership style:** The purpose of leadership is that the organizations should clear the goals that are expected. In

other words, the two dimensions of performance indicators and effective targets should be concerned. (Stephen, 2008).

**Knowledge management:** Knowledge management is a continuous process and developing a cycle that leads to add knowledge manage over time. This cycle consists of six process creation, capture, organization, storage, dissemination and application of knowledge. In this model, the dependent variable is the knowledge management. Knowledge management questionnaire is based on the model of the proust and colleagues in 2000 according to Fig. 1.

**Need to knowledge:** Recognizing the needs of the organization depends on determining by two main factors. In the first step, the goals of the organization should be determined. Knowledge value targets, provide opportunities for management to create an appropriate organizational culture and interested in science. Secondly, we must review and analyze the current status of knowledge organization. The study led to the identification of knowledge gaps in the organization. Knowledge gap is the difference between what the organization should know and what it knows.

**Development and improvement of knowledge:** Development and improvement of knowledge in a knowledge-based organization in many different ways are possible. Some of these techniques lead to improved knowledge from sources outside the organization, these methods are called the methods of acquiring knowledge (Davenport and Klahr, 1998).

**Utilization:** Utilization can be the equivalent of implementation phase is in the process of knowledge management.

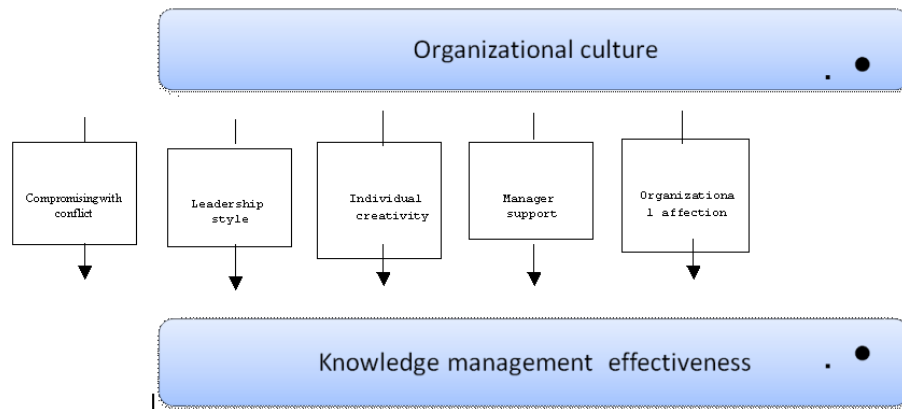


Fig. 2: General framework research

**Maintain and store knowledge:** Some enterprise applications have led to exiting some employees from organizations that have valuable experience and knowledge such a phenomenon can lead to permanent and irreversible loss of organizational knowledge. Protection of organizational knowledge process consists of three steps: select, store and update.

**Knowledge evaluation:** The last task of knowledge management is knowledge assessment, especially this assessment is important because it provides the basics of promotion and development of knowledge but the first step in assessing the possibility is measuring the level of knowledge.

**Organizational culture and knowledge management:** The remarkable studies have examined the failures of various knowledge management practices that organizational culture is one of the main barriers to the success of knowledge management. The studies clearly support the relationship between organizational culture and knowledge management practices. However, it is not clear what aspects of organizational culture that facilitate or impede knowledge management or the biggest contributor to organizational success or failure (Christopian, 2008). Considering the aforementioned points, the conclusion of the subject as a model to be offered as follows in Fig. 2.

## MATERIALS AND METHODS

The present study is a case study and survey and correlational analysis method is used. The data collection tool is a questionnaire. In this study, the target population is the headquarters of social welfare fund. The population of the research included all staffs of social welfare fund that they are 1050. To select the sample, simple random sampling method is used. The infinite formula is used to

determine the sample size sample size of 149. Questionnaires included Cameroon and Quoin's questionnaire of organizational culture (1999) which has 25 questions and Lawson's knowledge management questionnaire (2003) that 24 question. Scale questionnaire is designed based on the Likert scale with five options "very high, high, medium, low or very low". In order to determine significant, relationship between organizational culture and other factors in the effectiveness of knowledge management in the social welfare fund, Pearson's correlation coefficient and regression line are used.

### Analysis of data with inferential statistics correlation:

To examine the impact of organizational culture on knowledge management we use linear regression. First we examine whether two variables are strongly correlated and significant or not. This is done by Pearson correlation test. In Table 1, these tests have shown that the correlation coefficient is 0.775. It means that a linear relationship between them can be established (Table 1).

### Testing main hypothesis:

- The null hypothesis ( $H_0$ ): there is a significant relationship between organizational culture and knowledge management effectiveness in the social welfare fund
- Alternative hypothesis ( $H_1$ ): there is a significant relationship between organizational culture and effectiveness in the management of social welfare fund

Considering the significance level of 0.00 the null hypothesis is rejected. The amount and direction of the correlation coefficient (0.775) is strongly positive direction and significant level is  $<0.05$  which is 0.00. So, there is a significant relationship in  $H_1$  hypothesis. There is a

Table 1: Testing main hypothesis

Correlation	Organizational culture	Knowledge management effectiveness
<b>Organizational culture</b>		
Pearson correlation	1.000	0.775**
Level of significance		0.000
Number	149.000	149.000
<b>Knowledge management effectiveness</b>		
Pearson correlation	0.775**	1.000
Level of significance		0.000
Number	149.000	149.000

Table 2: Regression model

Model	Correlation coefficient	Determinant coefficient	Modified coefficients	SD	Durbin-Watson
1	0.775 <sup>a</sup>	0.601	0.598	0.34385	2.172

Independent variable: organizational culture; dependent variable: management knowledge effectiveness

Table 3: Test organizational culture and effectiveness of knowledge management

Models	Non-standard coefficients		Standard coefficients		
	B	SD	Beta	t-values	Sig.
Constant number	0.558	0.150		3.734	0.000
Organizational culture	0.764	0.051	0.775	14.868	0.000

significant relationship between organizational culture and effectiveness of knowledge management in social welfare fund.

According on Table 2, determinant coefficient 0.601 and correlation coefficient (0.775+) indicate a positive impact. If Durbin-Watson statistic is 1.5-2.5, the observations would be independent that are in the desired range in this table. According to Table 3, if the significance level is <0.05, it means that the linear model should be as following:

$$Y = a + bX$$

Organizational culture 0.764 + 0.558 = Knowledge management. Significance of 0.764 shows a positive impact of organizational culture and effectiveness of knowledge management. Then, we study the significance of the relationship between compromise with conflict management support, organizational membership, individual creativity and leadership style and effectiveness of knowledge management.

**First sub-hypothesis test:**

- The null hypothesis (H<sub>0</sub>): there is a significant relationship between the compromise with conflict phenomenon and effectiveness of knowledge management in the social welfare fund
- Alternative hypothesis (H<sub>1</sub>): there is a significant relationship between the compromise with conflict phenomenon and effectiveness of knowledge management in the social welfare fund

Table 4: First sub-hypothesis test

Correlation	Knowledge management effectiveness	Compromising with conflict
<b>Knowledge management effectiveness</b>		
Pearson correlation	1.000	0.465**
Level of significance		0.000
Number	149.000	149.000
<b>Compromising with conflict</b>		
Pearson correlation	0.465**	1.000
Level of significance		0.000
Number	149.000	149.000

Table 5: Second sub-hypothesis test

Correlation	Knowledge management effectiveness	Compromising with conflict
<b>Knowledge management effectiveness</b>		
Pearson correlation	1.000	0.643**
Level of significance		0.000
Number	149.000	149.000
<b>Management support</b>		
Pearson correlation	0.643**	1.000
Level of significance		0.000
Number	149.000	149.000

According to the significant level of 0.000, the null hypothesis is rejected. The amount and direction of the correlation coefficient (0.465) is positive and significant level of <0.05 which is 0.00 times so, there is a significant relationship in H<sub>1</sub> hypothesis. There is a significant relationship between compromise with conflict phenomenon and effectiveness of knowledge management in Table 4.

**Second sub-hypothesis test:**

- The null hypothesis (H<sub>0</sub>): there is no significant relationship between management support and effectiveness of knowledge management in the Social welfare fund
- Alternative hypothesis (H<sub>1</sub>): there is a significant relationship between management support and effectiveness of knowledge management in the Social welfare fund in Table 5

According to the significant level of 0.000, the null hypothesis is rejected. The amount and direction of the correlation coefficient (0.643) is positive and significant level of <0.05 which is 0.00. So, there is a significant relationship in H<sub>1</sub> hypothesis. There is a significant relationship between management support and knowledge management effectiveness.

**Third sub-hypothesis test:**

- The null hypothesis (H<sub>0</sub>): there is a significant relationship between the organizational affection and knowledge management effectiveness in the social welfare fund

Table 6: Third sub-hypothesis test

Correlation	Knowledge management effectiveness	Compromising with conflict
<b>Knowledge management effectiveness</b>		
Pearson correlation	1.000	0.510**
Level of significance		0.000
Number	149.000	149.000
<b>Organizational affection</b>		
Pearson correlation	0.510**	1.000
Level of significance	0.000	
Number	149.000	149.000

Table 7: The fourth sub-hypothesis test

Correlation	Knowledge management effectiveness	Individual creativity
<b>Knowledge management effectiveness</b>		
Pearson correlation	1.000	0.672**
Level of significance		0.000
Number	149.000	149.000
<b>Individual creativity</b>		
Pearson correlation	0.672**	1.000
Level of significance	0.000	
Number	149.000	149.000

- Alternative hypothesis (H<sub>1</sub>): there is a significant relationship between the organizational affection and knowledge management effectiveness in the social welfare fund in Table 6

According to the significant level of 0.000, the null hypothesis is rejected. The amount and direction of the correlation coefficient (0.510) is positive. Significant level is less than 0.05 which is 0.00. So, there is a significant relationship in H<sub>1</sub> hypothesis. This means that the organization belonging significant relationship and knowledge management effectiveness.

**The fourth sub-hypothesis test:**

- The null hypothesis (H<sub>0</sub>): there is a significant relationship between individual creativity and effectiveness of knowledge management in the social welfare fund
- Alternative hypothesis (H<sub>1</sub>): there is a significant relationship between individual creativity and effectiveness of knowledge management in the social welfare fund in Table 7

According to the significant level of 0.000, the null hypothesis is rejected. The amount and direction of the correlation coefficient (0.672) is positive direction. Significant level is <0.05 which is 0.00. So, there is a significant relationship in H<sub>1</sub> hypothesis. There is a significant relationship between individual creativity and knowledge management effectiveness.

Table 8: The fifth sub-hypothesis test

Correlation	Knowledge management effectiveness	Leadership style
<b>Knowledge management effectiveness</b>		
Pearson correlation	1.000	0.753**
Level of significance	0.000	
Number	149.000	149.000
<b>leadership style</b>		
Pearson correlation	0.753**	1.000
Level of significance	0.000	
Number	149.000	149.000

Table 9: Friedman test

Ranking	Mean of rankings
Manage support	2.09
Organizational affection	4.68
Individual creativity	2.73
Leadership style	2.02
Compromising with conflict	3.47

**The fifth sub-hypothesis test:**

- The null hypothesis (H<sub>0</sub>): there is no significant relationship between leadership style and effectiveness of knowledge management in the social welfare fund
- Alternative hypothesis (H<sub>1</sub>): there is a significant relationship between leadership style and effectiveness of knowledge management in the social welfare fund in Table 8

According to the significant level of 0.000, the null hypothesis is rejected. In Table 9, the amount and direction of the correlation coefficient (0.753) is strongly positive direction and significant level is <0.05 which is 0.00, so there is a significant relationship in H<sub>1</sub> hypothesis. So, there is a significant relationship between leadership style and effectiveness of knowledge management. According to Pearson correlation coefficients, relationship between organizational culture and knowledge management effectiveness is as following: the correlation coefficient between conflict phenomenon and effectiveness of knowledge management is 0.465.

The correlation coefficient between the management supports and the effectiveness of knowledge management is 0.643. The correlation coefficient between the organization affection and the effectiveness of knowledge management is 0.510. The correlation coefficient between individual creativity and effectiveness of knowledge management is 0.672. The correlation coefficient between leadership style and effectiveness of knowledge management is 0.753.

The highest correlation coefficient is the relationship between leadership style and effectiveness of knowledge management. Strong leadership style leads to effective knowledge management and this relationship is strong

and positive. Individual creativity, management support, organizational affection and compromise with conflict phenomenon of leadership style have a correlation coefficient stronger.

**Friedman test:** Friedman test variables used to assess the importance of the equity of variables. In this study, the significance level is 0.000. The hypothesis the importance of the equity of variables can be rejected, the mentioned variables are not the same.

## RESULTS AND DISCUSSION

According to the ratings, organizational affection has the highest rating and leadership style has the lowest rating. So, the organizational affection is the most important component among the staff of the social welfare fund and the components of compromising conflict, individual creativity, management support and leadership style are less important.

**Research findings related to the main hypothesis:** The main hypothesis: there is a significant relationship between organizational culture and effectiveness in the management of social welfare fund. This hypothesis was analyzed using Pearson's correlation coefficient and the results showed that the amount and direction of the correlation coefficient (+0.775) is strongly positive direction and significant level is  $<0.05$  which is 0.00, so there is a significant relationship in the main hypothesis.

The organizational culture as a basic foundation of character has an effective role in the implementation of knowledge management and in order to disseminate knowledge in the organization, organizational culture would be concerned. Then, by promoting the level of organizational culture, knowledge management would be improved. Research in this area were consistent with the results and findings. Karami (2005) investigate the relationship between organizational culture and knowledge management to establish a strong and positive relationship.

Ayoubpajouhan explores the relationship between organizational culture and knowledge management in the school of management. He assessed the situation moderate, indicating a positive and significant relationship. Khalq Ahmadi examine the relationship between organizational culture and knowledge management in Dana insurance company and he has found a positive relationship.

Rastogi (2000) in a study titled "fundamental process required for effective management of knowledge" in 15 organizations around the world, he states: Since,

knowledge is produced with the help of people who work together, the creation of knowledge and human interaction is dependent on cultural factors. Holotezi (2002) has shown that knowledge management is equally important in achieving competitive advantage, organizational culture is also defined as an important strategy.

De Long and Fahey (2000) in a study entitled "The Role of Organizational Culture in the Effective Implementation of Knowledge Management" showed that A strong organizational culture depends on the effective implementation of knowledge management failed to engage and communicate quickly in the organization, supporting innovation, delegation of authority and decision-making power and this assumptions are only in strong organizational culture.

### **Research findings related to the research hypothesis:**

First sub-hypothesis: there is a significant relationship the compromise with conflict phenomenon and effectiveness of knowledge management in the social welfare fund. So, there is a significant relationship in the first sub-hypothesis. In an organization where people are compatible with conflict and be encouraged to accept criticism. As a result, there would be more participation in the implementation of knowledge management. Also, Karami (2005) concluded that there is a positive relationship between the agreement to conflict phenomenon and to establish knowledge management, but this relationship is too weak.

Ayoubpajouhan studied the two populations that there is no significant relationship between faculty members group but there is a moderate correlation in the group staff. Khalq Ahmadi found the strong positive relationship between agreement and knowledge management. Rastogi (2000) states that knowledge is a personal and social process that relies on interaction among community members and human processes.

### **Research findings related to the research hypothesis:**

The second sub-hypothesis: there is a significant relationship between management support and knowledge management effectiveness in the social welfare fund. So, there is a significant relationship in the second hypothesis. In other words, support of managers at all levels of the organization improves knowledge management effectiveness. In this regard, Karami (2005) in their study a significant positive relationship between management support and deployment of knowledge management has been discovered. Khalq Ahmadi has found a strong and positive relationship in managers' support. De Long and Fahey (2000) stated that supporting

employees and encouraging them by the organization play an important role in the relationship between employees and knowledge.

**Research findings related to the third research hypothesis:** The third sub-hypothesis: there is a significant relationship between the organization affection and effectiveness of knowledge management in the social welfare fund. So, there is a significant relationship at the third sub-hypothesis. In other words, we can say that people are satisfied with the fact that the membership of the organization and strengthening the sense of belonging to the organization make them valuable and their willingness to continue to cooperate and participate in the acquisition of new knowledge and the development and spread of new knowledge is increased to improve the organization.

In this regard, Karami (2005) have found a significant positive relationship between organizational affection and knowledge management. According to Khalq Ahmadi, there is a significant relationship between organizational affection and knowledge management in Dana insurance company. De Long and Fahey (2000) conducted a study in this regard, they concluded that type of attitude that people have towards the organization has an important role in the acquisition and sharing of knowledge.

**Research findings related to the fourth sub-hypothesis research:** The fourth sub-hypothesis: there is a significant relationship between individual creativity and effectiveness of knowledge management in the social welfare fund. So, there is a significant relationship in the fourth sub-hypothesis. As employees have the freedom and independence and creating more opportunities for creativity and innovation, organization would be more successful in knowledge management.

In this regard, Karami (2005) in his study reported that there is a significant positive relationship between individual creativity and the knowledge management. According to Khalq Ahmadi, there is a positive and moderate relationship between individual creativity and knowledge management in Dana insurance company. Holotezi (2002) in their study stated that the employees' confidence to organization, encouraging them to innovation and risk-taking support from the head of the organization would increase the efforts of individuals for the creation, development and sharing of knowledge in the organization. As described results in line with past research.

#### **Research findings related to the fifth sub-hypothesis**

**research:** Fifth hypothesis: there is a significant relationship between leadership style and effectiveness of knowledge management in the social welfare fund. So, there is a significant relationship in the fifth hypothesis.

If the leadership style is collaborative and employees are more entrusted, people would have more effective role in their relationship work and dissemination of knowledge related to the organization. Leadership style is very important in knowledge management implementation and any changes in the organization. Khalq Ahmadi has found a positive and moderate relationship between leadership style and knowledge management in Dana insurance company. In another study, Holotezi (2002) states that successful systems for knowledge management needs a hero or leader at the helm of the organization for strong leadership. Pauline and Mason (2002) in a study examined the obstacles and factors affecting the adoption of knowledge management program and findings of this study suggest that the obstacles to knowledge management within the organization include: organizational culture, leadership, management practices, lack of public awareness of knowledge management.

#### **CONCLUSION**

Results of the research shows that there are positive meaningful relation between organizational culture and its categories include: agreement to conflict, management support, organization belongingness, individual creativity, leadership style with the effectiveness of knowledge management in the social security fund.

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