# CULTURAL BARRIERS BETWEEN ORGANIZATION AND KNOWLEDGE MANAGEMENT

*Gratiela Dana BOCA*
Technical University Cluj Napoca, North Center Baia Mare, Romania, gratielaboca@gmail.com

*Lindita MUKAJ*
DAR, Durres, Albania, linditamukaj@edu.al

*Marsida VISKURTI*
Aleksander Moisiu University, Durres, Albania, marsidaviskurti@edu.al

**ABSTRACT**
*The article is about the Albanian's organization culture influences and knowledge management barriers in the small and medium sized enterprises. Taking in consideration the internal and external environment of the SME's the organization culture becomes a mediator between personal knowledge and organization knowledge. The article identifies the cultural barriers for the knowledge management as: differences between the manager's actions, the apathy in the dissemination of knowledge, the over appreciation of the technology, the attitude upon the global market. The paper attempts to create a comprehensive model to discover relationship between the components of organizational culture and knowledge management in correlation with the cultural dynamic of a global market in a continuing movement. The foundation of the 21st organization needs a new type a new manufacture for future –MANU-FUTURE, a new organization when money and capital and technology are no longer the key elements, but the culture for activities in knowledge management can be critical and determination.*

**KEYWORDS:** *knowledge management, innovation, cultural barriers, organization culture*

**JEL CLASSIFICATION**: *L21, M15, L26, O33*

## 1. INTRODUCTION

The paper is focused almost exclusively on organizational culture change. The importance of organization culture now and days became a necessity in a turbulent marketing and a global vision for economical activity. Taking in consideration the organizational culture definition which represents the way things are done in an organization, encompassing the values, beliefs, and attitude that generate a common framework for interpreting events.

Managing organizational culture change is therefore at the very core of knowledge management (KM) and organizational learning processes. As Peter Druker (2006), has pointed, the foundation of the 21st century organization is no longer money or capital or even the technology, it is knowledge (Schwartz, 2006).

Today criteria of organization are presents by Johnson (2001) as a model called the cultural web but with various components of organizational culture, especially now when we are talking about the global market and a new type of consumer arise under the Face book technology. The culture as a whole is able to determine its compatibility with organization strategy.

A new concept mentioned by Boca (2011) in her research about the organization quality management is a new organization, a new manufacture organization, a new future-manufacture, a new kind of organization will be developed including here a large multinational cooperation.

Complete management and organization learning gain credibility from the daily news to the continuous expending of internet. If we will scan the organization management, we can identify the keys to increase the internal and external environment of organization based on innovation. In order to more fully define and understand knowledge management, it is useful to consider knowledge management as having four pillars. These pillars of Knowledge Management house are: management and organization, infrastructure, people and culture and content management systems (Figure 1).
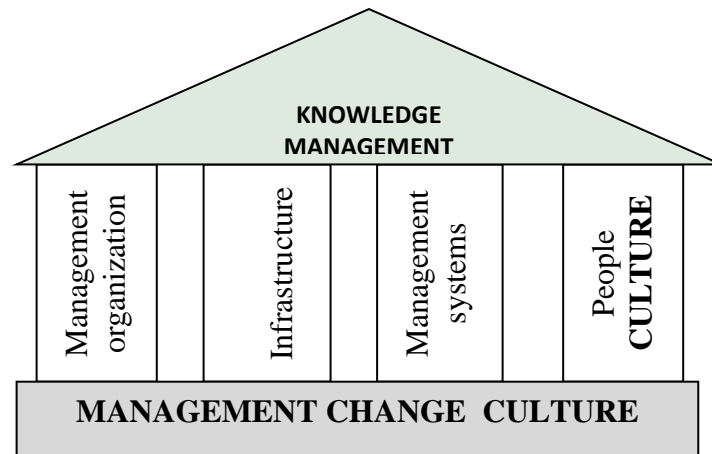


**Figure 1. The house of Knowledge management**
*Source: By authors*

This model proposed by authors wants to offer a realistic overview of the knowledge management process in Albanians SME's and to help the managers or the future managers to adapt their activities, to be more flexible in function with customer needs and utilities.

Daft and Weick (1984), and Hedlund (1994) proposed already a model for knowledge management but not taking in consideration the influence of culture. Later, Hedlund and Nonaka (1991) take in consideration the geographical influence upon knowledge management. The survey were focused on using 5W's help us to mark the objectives and design the model including the creation of new knowledge as a specific knowledge management individual or organizational step by step strategy initiative.

*Why we need knowledge management?* As we can see knowledge management requires three elements for a flexible adaptation on global market:

- the redefinition of organizational structure;
- the corresponding human resource practices;
- a consistent organizational culture.

*How we can implement* the new direction for knowledge management in different organizations.

*When to start? Where to develop knowledge management culture? What?* The manager and organization can do, it is possible to apply the 5w's method by continuing education and good training practices in organization (small and medium size SME's, family business), promote the sharing of knowledge among the workforce.

Training methodologies supported by ICTs, such as virtual learning and e-books and train-the-trainer techniques, can be geared towards knowledge sharing and dissemination.

With knowledge management, organizations today can identify the knowledge that is required to identify and establish the organizational objective and to design the training and elements which make knowledge available.

The importance of a knowledge sharing culture as an enabler for the transfer and creation of knowledge is directly addressed by such authors as Davenport and Prusak (2000). In order to make knowledge management initiatives work in practice, the employees within the firm must be willing to share their knowledge with others a kind of culture transfer of information and good practice. Leaders must understand the culture from both dimensions on organizational and community level. While culture management often exists on an organizational level, each community may have its own norms, perspectives, and collective understandings to share knowledge. The knowledge management (KM) needs the following elements:

- Organizational information processing;
- Organizational cognition;
- Organizational development;
- Business intelligence.

This elements associated with unpredictability and risks for organizations can be analyzed and design a model for cultural knowledge management because of new waves of KM to the new economy of the 21$^{st}$ Century. A new concept proposed by Boca (2011), organization for future (MANU-future=manufacture for future), it is about new strategies for organization regarding the total quality management it is a new organization, a new type of organization, a new kind of organization capable to develop transfer of innovation, and we are including here a large multinational cooperation.

On a global market, with a big impact and big provocation for the new generations a complete management and organization learning gain credibility from the daily news to the continuous expending of internet.

## 2. METHOD OF RESEARCH

In this paper, we were using the information's obtains from the small and medium enterprises from Albania. The target was 115 managers from different sectors of production, manufacturing and handcrafts from and around Durres city. Durres is the second city after Tirana with a big impact in economical life of country, under the influence of west market and with consumer behavior culture very well structured as a mix of cultural and historical influence. The survey were realized to be a radiography of Durres market and to be capable to create a data base of specific activities, accounting the organization size, the number of employees, type of organizations (state, private, individual activities) and to draw the profile of Albanian manager with his/her vision on knowledge management.

Another target of survey was, to identify

- the specific activities rules in the city
- how managers adapt and harmonize his/her activity with the new trends from global market
- how and in which measure he/she involved staff in innovating organization, products.

Also a very important mission of survey was to establish the manager effect under the staff and how information and communication of cultural barriers (Bures, 2003), can influence activities following by pushing the organization to knowledge: specialization, follow or graduate special courses in new field or obtain a qualification to improve and develop the skills and competencies.

A special item of survey was to discover if manager or leader of organizations use of the new innovations generation (new technology, international standards, ISO 9000, ISO 14001).

The questioner was structured in four parts to identify:

Part 1- Sources of the knowledge = inputs into the innovations and management change;

Part 2- Sources of knowledge = outputs into organization knowledge and open eyes vision;

Part 3- Sources of learning knowledge = organization and knowledge connection.

Part 4- Identified the sources for managers and the implication on innovating firms, to identify the three most important knowledge inputs: quality, specialization and courses into future or present of individual and organization into management change culture.

## 3. RESULTS

The comprehensive model propose using the survey dates sustain that there are different managers categories of people oriented and more technology focused.

They are or not knowledge sharing but technology focused is certainly and it is something that we will address in future sections of research.

There is another important aspect relating to KM and how it is possible to measure the management effects, and how management know whether the implemented initiatives are achieving the desired results.

One major influence to a culture's knowledge sharing willingness is the issue of reciprocity (Davenport & Prusak 2000). This refers to the individual's need to perceive a current or future return on the knowledge he chooses to share.

Using the questionnaire information after analyzing all the data we can observe that a percentage of 60% are male and 40 % women, here we can identify a sign of culture influence and the family traditions and the practical spirit of Albanians. In correlation with education from, this could be in the form of direct compensation of some native kind, something intangible like enhancing the individual's reputation and also the increasing level of education for younger managers. Individual knowledge and education as a favor of Face-book generation returned the benefits in practice but as we can see in time they need and requires assistance.

The growing importance of knowledge is a resource which encouraged managers to pay greater attention to the firm's KM strategies. Internal-oriented strategy focuses on generating and sharing knowledge within the boundary of the firm (Choi et al., 2008, 236).

Although, in Youngjin and Torrey (2002), opinion national culture and knowledge sharing in a global learning organization, a conglomeration of essential organizational elements.

After the correlation between respondents age and their business structure we obtain that 66% from respondents are involved in small and medium enterprises on their own business, the median age it's between 21-30 years old. As a conclusion the young generation has a practical spirit, they are involved in their own business 26 % or in partnership, 19%.

Because the majority of respondents are involved in private business the knowledge impact is an essential strategic resource for an organization to retain sustainable competitive advantage. The dynamic evolution from market and the new orientation of customers in a global market obliged the managers and organizations to adapt their management or to discover new opportunities.

If we take attention the type of activities we discover that the segment of educated people and especial the vocational school and art schools are the base, the engine of city life from economical point of view.

On Table 1, using the correlation between manager education and type of organization, the field of activities. A 47 % percent from economical activities from Durres are especially services, 21 % are retailer activities and only 10% are specialized in manufacture and production activities. Special services are also under the cultural influence specific coffee shop, internet café, barbershops, beauty salon, tailoring.

**Table 1. Type of organization \* Education level**

| | | Education level | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | primary school | high school | vocational school | under graduated | graduated | |
| Type of organization | manufacture | 2 | 5 | 3 | 3 | 2 | 15 |
| | retailer | 0 | 10 | 3 | 10 | 1 | 24 |
| | wholesaler | 0 | 7 | 7 | 8 | 0 | 22 |
| | service | 0 | 14 | 13 | 18 | 9 | 54 |
| Total | | 2 | 36 | 26 | 39 | 12 | 115 |

*Source:* By authors (SPSS)

A signal for future orientation of activities, and the reorientation of organizations to activities connected with tourism and historical places, an aggressive advertising of travel agencies. Another option taking in consideration the Mediterranean influence can be the sea food and a park for solar energy.

Another aspect of research was to identify the external-oriented strategy attempts to bring knowledge from outside sources or imitation and then transfer that knowledge throughout the organization.

Managing knowledge requires changes in organization culture. Taking in consideration Leal Rodriguez (2013), that the environment (internal and external) is constantly changing, we consider also that an individual's knowledge developed it is also necessary taking in consideration the technological opportunity and the rapid communication.

The two dimensions internal and external knowledge information's provides a basis for assessing the relative importance in providing knowledge, of the innovating knowledge management firms themselves, or providing public knowledge, such as universities and high school laboratories to prepare the handwork.

We can use also internet and e-learning in a successful way as a cultural tool to establish and discover new technology, new materials, to work together on the same research, sharing ideas and learn from other failures.

The questionnaire in the last part was focused on the harmonization of individual and organization activities in the adaptation with the international standards, and the necessity of adaptation with the global market influence. A positive impact has the knowledge management in application of quality standards, knowing the Albanian market it is in transition period of adaptation with the European market.

The education of managers confirm that can be a barrier in knowledge management, a percent of 79 % are already involved in the implementation of international standards to be competitive in internal and external market and cover the customers need and utilities  Table 2.

**Table 2. Quality  standards \* Education level**

| | | Education level | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | primary school | high school | vocational school | under graduated | graduated | |
| Quality standards | yes | 1 | 28 | 21 | 30 | 11 | 91 |
| | no | 1 | 8 | 5 | 9 | 1 | 24 |
| Total | | 2 | 36 | 26 | 39 | 12 | 115 |

*Source:* By authors (SPSS)

Sharing the Leal et. all (2014),  the role of cultural barriers and the effectiveness of management innovation  the comprehensive model design by authors sustain  that  the management culture it is important and can be the input of entire organization activity, a dynamic movement on different stages of life cycle of  management need.

Until this stage of survey all the data present the individual culture as an important barrier for knowledge management for organization, but we identify some other barriers from input of organization to output in the learning process of manager and staff  a bridge between the two dimensions of knowledge management internal and external.

A 79% percent from respondents Table 3 are knowing, sharing and implemented the international standards and they are harmonizing their activities in with the quality standards. We can mention here the double standardization like in Macedonia, Serbia as East countries with a transition economy but which adapt their economical activities and products with the customer culture (ISO 22000 and Halal standards, ISO 14001). The education and the individual business are important for the organization future orientation on market.

**Table 3. Quality  standards * Legal structure of business**

|  |  | Legal structure of business | | | | Total |
|---|---|---|---|---|---|---|
|  |  | single | partnership | limited partnership | cooperation |  |
| Quality | yes | 59 | 16 | 3 | 13 | 91 |
| standards | no | 17 | 6 | 0 | 1 | 24 |
| Total | | 76 | 22 | 3 | 14 | 115 |

*Source:* By authors (SPSS)

The world is moving at a dizzying peace and for young entrepreneurs, things have a peace of their own, a special one of 21$^{st}$ Century most defiantly even more alert that of the society they develop in. Online tools are for young entrepreneur and managers very useful and the rapid information and communication. The problem with the brilliant ideas is that they can rarely be put into practice by a single person.

Table 4. present a 82 %  percent a negative participation of  respondents  to courses sustain by NGO's or professional agencies, or participation to different qualification activities which reflect  a goal in managers  orientation on new market.

**Table 4. Courses learning  * Legal structure of business**

|  |  | Legal structure of business | | | | Total |
|---|---|---|---|---|---|---|
|  |  | single | partnership | limited partnership | cooperation |  |
| Courses learning | Yes | 12 | 2 | 0 | 3 | 17 |
|  | No | 64 | 20 | 3 | 11 | 98 |
| Total | | 76 | 22 | 3 | 14 | 115 |

*Source:* By authors (SPSS)

They can have a good opportunity if they become organized, if they design good business plan, if they prove they can be a future successful manager and if they convince investors.  For that the comprehensive model suggest that the organization needs a culture for knowledge to accelerate the  organizations development strategies by removing the obstacles raised by the

time spend by manager and staff on each task. So in conclusion qualification and specialization must to be a continuing activities.

A similar cultural barrier it is presented Table 5. A 55% percent from managers recognize that they never make a connection between their individual knowledge management and the specific field of their activities, they adapt their business in function of market.

**Table 5. Field specialization * Legal structure of business**

| | | Legal structure of business | | | | Total |
|---|---|---|---|---|---|---|
| | | single | partnership | limited partnership | cooperation | |
| Field specialization | yes | 42 | 7 | 1 | 2 | 52 |
| | no | 34 | 15 | 2 | 12 | 63 |
| Total | | 76 | 22 | 3 | 14 | 115 |

*Source:* By authors (SPSS)

We can specify here that one of the most important tools that have ever been invented is internet connection, and can be used by organization to enter in contact with the virtual market and discover the community pulse, also the used of e-mails services in the world for newsletters, e-mails for marketing are very intuitive, easy to customize and free. What we want suggest it is that both dimension culture of organization and individual knowledge is in a never ending process of learning and specialization.

## 4. A MODEL FOR CULTURAL BARRIERS BETWEEN ORGANIZATION AND KNOWLEDGE MANAGEMENT

To identify the cultural barriers between organization and knowledge management we take in consideration the following hypothesis:

**Hypothesis 1:**
H0: there is no significant effect of knowledge sharing (internal factors) on knowledge management
H1: there is a significant effect of knowledge sharing (internal factors) on knowledge management

**Hypothesis 2:**
H0: there is a significant effect of knowledge sharing on organizational change (external factors) on knowledge management
H1: there is a significant effect of knowledge sharing on organizational change (external factors) on knowledge management

**Hypothesis 3:**
H0: there is no significant effect of organizational learning (internal knowledge) on knowledge management
H1: there is a significant effect of organizational learning (internal knowledge) on knowledge management

The barriers taken in consideration are:
- **Manager** –with variables as age, education, gender and experience in the organization activity;
- **Business** –with type of business retailer, single or partnership;

**Knowledge management** with variable in function of responsibilities, participation of continuing education process, learning process, specialization and qualification in specific fields.

The results present that there is between managers, business and knowledge management there is no influence because of negative values of connection.

But we can consider as cultural barriers for organization the age and the participation to the individual knowledge process, in a internal and external environment for the adaptation with the new market trend, So the limits of the cultural barrier are very important and significant but in the same time are unlimited.

The next step of our research was to re-design the model and establish the cultural barriers between organizational knowledge management in function of learning process, business activities and organization structure, the results are presented in Figure 2.
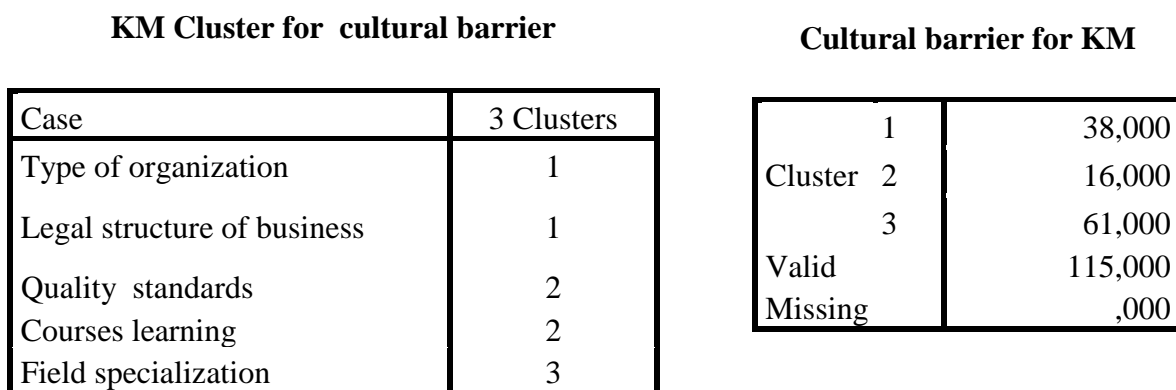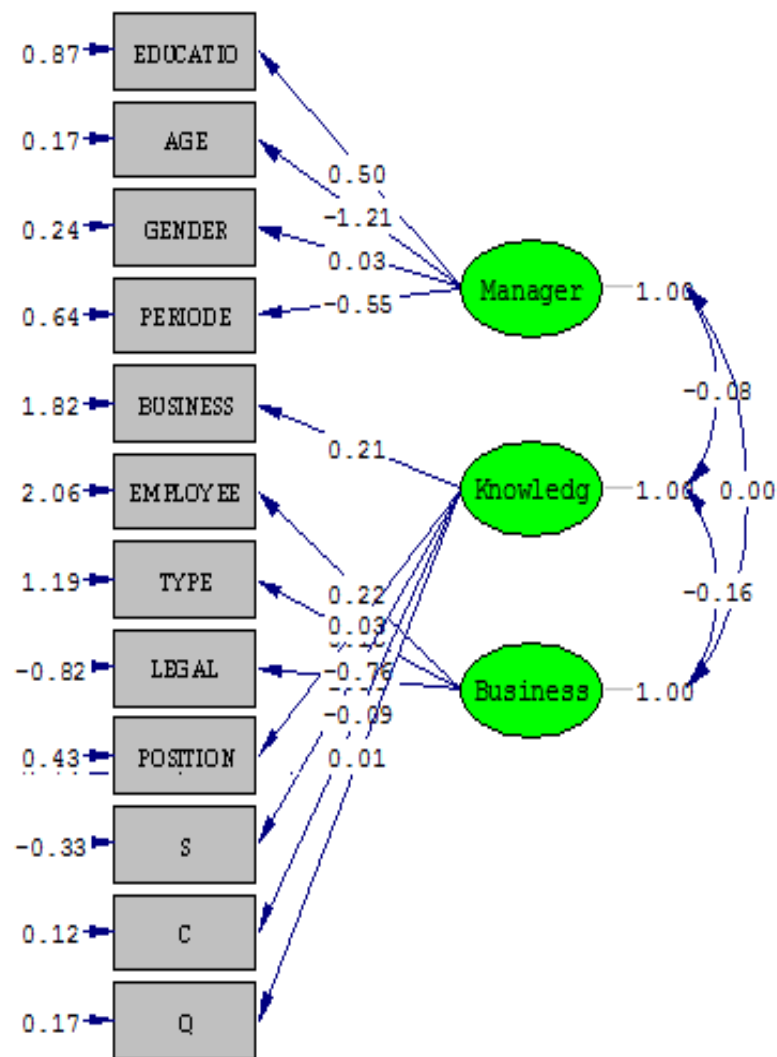
**KM Cluster for cultural barrier**

| Case | 3 Clusters |
|---|---|
| Type of organization | 1 |
| Legal structure of business | 1 |
| Quality standards | 2 |
| Courses learning | 2 |
| Field specialization | 3 |

**Cultural barrier for KM**

| | | |
|---|---|---|
| | 1 | 38,000 |
| Cluster | 2 | 16,000 |
| | 3 | 61,000 |
| Valid | | 115,000 |
| Missing | | ,000 |

**Figure 2. Knowledge management cultural barriers cluster**
*Source:* By authors

The impact of culture between organization and knowledge management arrange in clusters in function of cultural barriers are significant for

- cluster 3= 61, means that once again the model is significant the selection of activities and the market needs cab assurance the success in long and short terms. That is why it is necessary a deep and profound radiography from market and the reorientation to production using the new technology, the new methods and qualify handwork;
- cluster 1= 38, means that another barrier of organization structure and characteristics.

The model is presented in Figure 3. and put in evidence the hypothesis of existing connection between the cultural barriers.

Chi-Square=97.07, df=51, P-value=0.00011, RMSEA=0.089

**Figure 3.  A comprehensive model for cultural barriers between organization and Knowledge Management**
*Source:* By authors

In Figure 4, a culture barrier is considered the capital culture supporting the Youngjin and Torrey (2002), opinion that intellectual capital and organizational knowledge are the base of strategic management of organization.
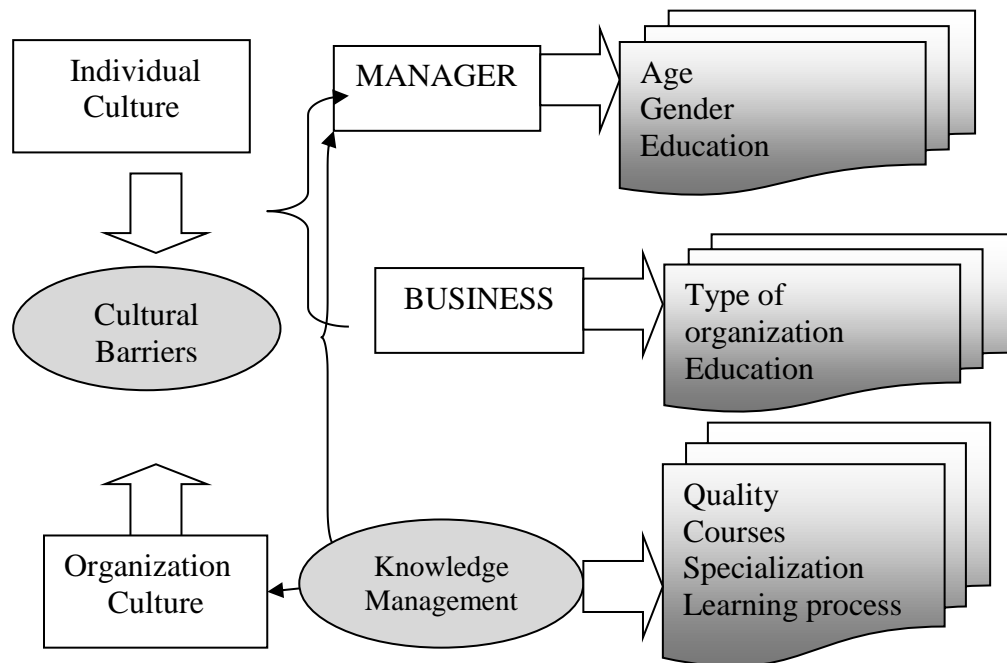
**Figure 4. Knowledge Management Model and cultural barriers**

*Source:* By authors

As  a final conclusion the cultural barriers can have a number of causes, for example a lack of training or instruction, lack of motivation, lack of basic ability, or some underlying problems of adaptation, of  understanding of customer culture.

## 5. CONCLUSION

This study reflects the central importance of acquiring and using knowledge in a culture that encourages knowledge sharing. This study offers further support for the idea that hospitals should be treated as knowledge-based entities. Moreover, our research suggests that cultural barriers has a strong impact on the knowledge–innovation. The problems with managing culture can be summed up as follows:

- Culture organization   itself is rather rejecting   and promoting the norms of the organization;
- Culture often consists of learned responses that are hard wired into the organization;
- The results indicates that organizations are far more likely to remember situations competition and interpretations of  products,  events rather than the event itself;
- Culture contains falsehoods, presents past lessons which are applied often without understanding them and their reasons for being.

Research suggests that cultural barriers tend to promote learning as a means of exploitation, to promote the achievement of specific organizational goals, thereby promoting compliance rather than creativity. Depend of organizations if they fail to remove some of cultural barriers of if they block the appropriation of new knowledge and identify the future opportunities.

 We therefore argue that it is important for organizations to provide an appropriate environment for overcoming cultural barriers.

Adapting Wellman (2009) vision for Albanian organizations presented in the comprehensive model of cultural barriers between organization and knowledge management we can identify:

- **Acknowledge the existence and influence of organizational culture:** an open door to a global market, so people can see and understand how it affects activities;
- **Have a clear and persistent vision of what the culture should be and of what changes need to be applied:** built a vision which must to be understood by management at all levels and spread across the organization and the necessity of international standards, under the international laws;
- **Consciously manage culture:** built a bridge between cultural differences that exist between different communities East and West, different power structures within the organization.

There are certain limitations of knowledge management system, language, country, social life and political diversity. This research is generic due to diverse and globalized need and change of organziation on the globe. New thinking, indicates that knowladge management has a great scope, indicates:

1. the importance of research in understanding the effects of organizational culture on organizational knowledge management systems in organizations.
2. the dynamic nature of economy which need comparative models between countries and organizations management.

The paper would facilitate organizational learning and lead to the improvement of knowledge management practices in organizations as it helps managers to understand the linkages between culture and knowledge management. Same survey would be apply in another countries Romania and Turkey to identify the knowledge management typology and identify the similarities and the differences in the global environment.

**REFERENCES**

Ackoff, R.L. (1999) *Re-creating the corporation: a design of organizations for the 21st century*, Oxford University Press.

*Boca, G.D, Erdogdu, H., Mukaj, L.(2015) Variables for Leader Model in a Cross Cultural ADKAR Study, The 26th IBIMA conference on Innovation Management and Sustainable Economic Competitive Advantage: From Regional Development to Global, pp.1871-1883*

Bures, V. (2003). Cultural barriers in knowledge sharing. *EþM Ekonomics and Management*, Vol. 6, pp. 57-62.

Choi, B., Poon, S.K., Davis, J.G. (2008). Effects of knowledge management strategy on organizational performance: A complementarity theory-based approach. *Omega: The International Journal of Management Science*, Vol. 36, pp. 235-251.

Daft, R.L., & Weick, K.E. (1984). Toward a model of organizations as interpretation systems.

Davenport, T. H., Prusak, L. (2000). *Working Knowledge: How Organizations Manage What They Know*. Cambridge, MA: Harvard Business School Press.

Drucker, P.F. (1999), Management *Challenges for the 21 Century*, New York Harper Collins.

Druker, P. (2006). *The Practice of Management*, Harper & Collins Publisher.

Hedlund, G. (1994). A model of knowledge management and the N-form corporation. *Strategic management journal*, *15*(S2), 73-90.

Hedlund, G., & Nonaka, I. (1991). Models of knowledge management in the West and Japan. Institute of International Business at the Stockholm School of Economics, RP 91/9.

Johnson, D. (2001). What is innovation and entrepreneurship? Lessons for larger organizations. *Industrial and Commercial Training*, Vol. 33 Issue: 4, pp.135 – 140.

Leal-Rodríguez, A., Leal-Millán, A., Roldán-Salgueiro, J.L. and Ortega-Gutiérrez, J. (2013). Knowledge Management and the Effectiveness of Innovation Outcomes: The Role of

Cultural Barriers. *The Electronic Journal of Knowledge Management.* Volume 11 Issue 1, pp.62-71.

McDermott, R. and O'Dell, C. (2001), "Overcoming cultural barriers to sharing knowledge", Journal of Knowledge Management, Vol. 5 No. 1, pp. 76-85. Metaxis.New York: Free Press.

Michie, D. (1983). A prototype knowledge refinery. In J.E. Hayes & D. Michie (Eds.), Intelligent multinational corporations. Academy of Management Review, **16**, pp.768-92.

New York: The Free Press.

Nonaka, I. (1994). A dynamic theory of organizational knowledge creation. *Organization Science,* 5, pp.14-37. Oxford University Press.

Quinn, J.B. (1992). Intelligent Enterprise: A Knowledge and Service Based Paradigm for Industry.

Schein, E. H. (1992). *Organizational Culture and Leadership.* John Wiley & Sons

Schwartz, H.S. (2006). A Theory of Cultural Value Orientations: Explication and Applications, Comparative Sociology, Volume 5, Issue 2-3, Koninklijke Brill NV, Leiden.

Tuomi, I. (1999). *Corporate Knowledge Theory and Practice of Intelligent Organizations.* Helsinki:

Tuomi, I. (2002). *Networks of Innovation: Change and Meaning in the Age of Internet.* Oxford: unified view of working, learning, and innovation. *Organization Science,* **2**, pp.40-57.

Wellman, J. L. (2009). *Organizational Learning: How Companies and Institutions Manage and Apply Knowledge,* Palgrave Macmillian.

Youngjin, Y., Torrey, B. (2002). National Culture and Knowledge Sharing in a Global Learning Organization." In *Strategic Management of Intellectual Capital and Organizational Knowledge: A Collection of Readings* edited by Chun Wei Choo, and Nick Bontis, 421-435. New York: Oxford University Press.