

Influence of corporate culture for knowledge dissemination in a corporate environment

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Abstract: This paper investigates dependence between the corporate culture and knowledge dissemination within the organisation. Knowledge and people are the main capital of each company. Knowledge is organized information usable for problem solving. This is information which is organized and analyzed in order to become understandable and usable for problem solving or decision making. These are facts or ideas which were obtained by observing, studying, exploring or experience. Until recently, the basic production factors were capital and labour, from the second half of the last century knowledge is beginning to increasingly push through. Therefore the basis of the knowledge economy is knowledge businesses, businesses where the key factor is intellectual capital. But knowledge must be passed on from generation to generation or from colleague to colleague. Corporate culture also greatly helps to such knowledge transfer. Responsibility of every manager is to create such a culture, thus ensuring continuous knowledge transfer in the enterprise. If the managers handle this task they can achieve prosperity of a concrete enterprise in a long term far more easily.

Keywords: corporate culture, responsibility of managers, knowledge dissemination, prosperity of an enterprise

1. Introduction

Knowledge management was created in response to the growth in importance of knowledge for organizations. Knowledge has become one of the main assets of organizations in recent years and decides on their success or failure. This trend is most obvious in high-tech industries such as telecommunications. If the companies want to be successful in the market and attract the attention of the customer, they must be distinguished from their competitors. They can do it in various ways – to provide a different product, a product with higher added value or to offer a cheaper product. If, however, they decide to differentiate in any way, they have to use their knowledge better than others and to work with their knowledge better. [5]

In order to preserve, enhance and apply knowledge in an enterprise, there must be a well-functioning system. It is very important that also employees and workers in lower positions understand this system. It is not enough if knowledge management is just a matter of senior management. It is necessary that knowledge management is a part of the corporate culture. This should be one of the main priorities of every successful manager, but how to induce workers not to be afraid to spread their knowledge? It is a difficult task for managers. If there is an atmosphere of mistrust or even fear created in the company, the employees automatically tend to keep information to themselves. They are afraid of their jobs and prefer to keep their know-how as their competitive advantage. Such a strategy, on the part of workers, it is very dangerous for the further development and can be devastating for the company.

2. Knowledge management

There are very many definitions of knowledge management. Vladimír Bureš used eighteen different definitions of knowledge management in his book „Znalostní management a proces jeho zavádění“ (Knowledge management and its implementation) such as:

- „Knowledge management is the acquisition, coordination, dissemination, creation and use of knowledge to improve business processes“ (Hampel 2001)
- „Knowledge management is to understand, focus on and manage systematic, explicit and deliberate knowledge building, renewal, and application – that is manage effective knowledge processes“ (Wiig 1997)

My simple definition of knowledge management is as follows:

It is a process which through explicit and tacit knowledge, relevant information and application of modern knowledge gives the company the opportunity to improvement and long-term success in a particular business environment.

2.2 Tacit and explicit knowledge

Knowledge well preserved in the subconscious of employees is of great importance for companies and is an exceptional article for them. It is difficult to fake it and is a powerful source of competitive advantage of the company. It is very difficult to obtain it, and also difficult to transfer it formally. [6]

Explicit knowledge is knowledge which we can express in any formalized way. We can actually say on explicit knowledge that it is information. [6]

Tacit knowledge is knowledge that cannot be formalized. Tacit knowledge is something precious for the company. It is very hard to share, express and explain it to others. It happens that it can even be destroyed. It is linked not only to the individual, but also to teams and the whole company. It often happens that also a person who has such tacit knowledge, is unaware of being its owner. Nevertheless, it is used automatically and without twinkling of an eye. It is created mainly in the head of employees and is often strongly linked to the working environment and working process. After the end of the working time the employee who goes home, is unaware that he takes his tacit knowledge with him, and that the next day he brings it to the company back again. In the case he leaves the company a gap is created which is very difficult to fill. It is therefore important that this knowledge moves on. This problem of leaving employees with their tacit knowledge needs to be addressed with new employees. [6]

2.3 Western approach

It derives from Anglo-American approach to knowledge management and is always focused on the expressed and formalized knowledge. Tacit knowledge is perceived as soft parts of the company, a little uncertain, unreliable and confused. Western managers perceive a company as the heart of “scientific management”, namely that the information technology and science have the most important role in the company. Tacit knowledge is less supported and workers in the company do not pay too much attention to it. Work creativity which demonstrably contributes to the profit of the company is often neglected. [6]

2.4 Eastern approach

On the contrary, the Eastern approach is based on the Japanese knowledge management and includes, for example, early discussions of managers with the staff in the company. Different views, experiences and insights are clarified and explained, thereby contributing to the transfer of tacit knowledge to others. Tacit knowledge is in this case transferred to many other employees of the company, **within the meaning rather to provide important and necessary knowledge to all than to withhold it to someone** in contrast to the American approach where knowledge is transferred only there and for those employees of the company for whom it is useful and necessary. It has also its own logic. [6]

Tacit knowledge is knowledge that is difficult to describe, but it is important. In companies, there are workers who thanks to their experience are able to anticipate problems. I know workers who are so experienced that they are able to determine the correctness of the manufacturing process by the sound of the machine. Or by a “look” at materials they can identify potential problems with such material. I have experienced an interesting scene in the production when the foreman smelled rubber before vulcanization and found out that it is beyond its lifespan, and it is impossible to produce rubber products out of it. He was right. We started to search when the rubber was produced and found out it was already not usable for more than a month, since the rubber layers would not link together in the process of vulcanization.

2.5 Preservation of tacit knowledge

Since tacit knowledge is difficult to describe, it is difficult to preserve it in organizations. Therefore, it is necessary to create a system for its preservation. Firstly, it is necessary to prepare a form of its collection and secondly its preservation. One option of obtaining tacit information is an interview.

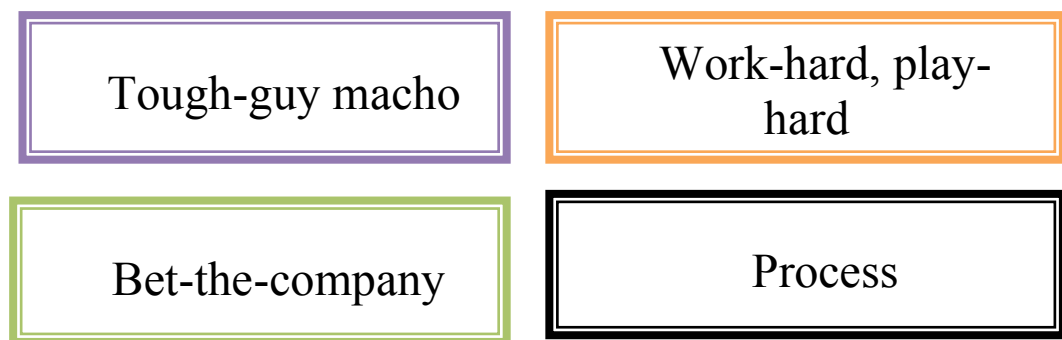
Despite the apparent simplicity of the implementation, an interview must be planned thoroughly. To ensure high efficiency, it is appropriate to prepare the aims to the achievement of which the course should be directed and tools that facilitate their achievement. When planning, it is appropriate to select also such participants who help us see the process from different angles such as a customer who gains something from this process, a champion who perfectly knows the process, or a common worker who does not understand all contexts and needs but may reveal not only obvious but also hidden problems. [4]

2.6 Tacit knowledge and corporate culture

Corporate culture covers many things, and every company has certain set governing rules according to which it is governed, although at first glance it may sometimes look as if it would not be governed by anything. It may not always relate only to the style of dress. The corporate culture embraces also a method of compensation of employees, forms of their motivation, methods of education, and sometimes this includes also the company brand, its history, corporate philosophy, or equipment of the workplace.[7]

The corporate culture affects the overall atmosphere in the company, the individual work procedures, communication between management and employees, but also between employees among themselves, affects performance and motivation. The corporate culture is a mirror of the corporate identity. It relies on values, processes and standards of the organization. Simply put – the corporate culture are fundamental values, standards and general rules that govern the company, that is what is accepted in the company and is considered appropriate and desirable [9]

From personal experience, I can state that the working environment, corporate culture and overall good feeling of team work and performance is a more favourable environment for the development and transporting of just tacit knowledge. The corporate culture can be varied and it is affected by many factors. There are four basic types of corporate culture, even though I know various other divisions (Fig. 1).



(1)

- **Tough-guy macho culture** is individualistic and a particularly performing individual is in its centre. The employee is as good as his last performance. The career may grow, but also fall rapidly.
- **Work-hard, play-hard culture** gives prominence rather to a group. In particular an idea is appreciated and career advancement is not important. It is spoken about private matters. The employees know their background and worries.
- **Bet-the-company culture** most typically expects advancement according to rules set in advance. It is not spoken about private matters. The precisely pre-set procedure has to overcome risks and uncertainties.
- **Process culture** is typical for state organizations. Formal appurtenances take precedence over formal content.[2]

Work-hard, play-hard culture is the friendliest corporate culture, according to experts, for the preservation and transportation of tacit knowledge into corporate life. The reason is that the work-hard, play-hard culture

gives prominence rather to a group. In particular an idea is appreciated and there is no reason to be afraid to share knowledge and pass it on.

What is a good corporate culture? In general, such a corporate culture is good which ensures the fulfilment of business objectives while meeting the needs of all employees and that makes the company useful for its surroundings. The obstacles that arise in practice when implementing change or building a desired corporate culture, stem mainly from the fact that every company or organization is made up of employees – people who profess different values and who have different opinions at the same thing and who can see different meaning in their work. Therefore, in every company there three types of corporate subculture at one time – wanted by managers, actually lived by managers and lived by other company employees.

Whether the resulting corporate culture is good depends on the alignment of these three types of subcultures. It results from this perspective that the key factors of success of each positive change in corporate culture are: the behaviour of managers (and also owners) and constant two-way communication. Under the behaviour of managers it must be understood particularly the consistency between what they want respectively declare, and whether they actually comply with it.

Normal human decency in behaviour is a matter of course. Behaviour of managers should also be understood as a personal example and its effectiveness should be taken into account. People always notice rather the negative than the positive example. It is also important that the positive behaviour of managers (in terms of corporate culture) has a long-term nature. Short-term “actions” have the opposite effect. When communicating in favour of the formation of corporate culture the two-way communication is truly necessary.

Therefore, it is important to listen, listen and listen again. Otherwise it may happen that the manager can somehow not notice that employees are positive about the change and his efforts and corporate resources are directed somewhere where they are not needed, or on the contrary, convinced that everything is fine, he does not capture activities against the change. Forms of communication may be different. In fact it is good if there are many of them. These may be workshops, trainings outside the company, informal events, and even prescriptive regulations, but they should definitely not prevail and be always accompanied by active communication with emphasis on feedback and public evaluation.

External communication for change or formation of the corporate culture has one main goal – to support internal communication. Its aim is to encourage pride of employees that they work in the company, thus increasing their social prestige. This communication is a part of the overall external communication, but should not be confused with it. Formation or change of corporate culture requires special attention, because in no corporate or management information system you will find a box on its financial effect, but corporate culture in the company affects all activities and processes and thus the company's results. [7]

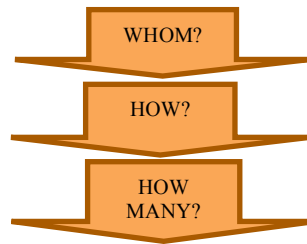
Important on the part of the management is to understand that it is not enough to possess knowledge. Until proper environment and culture of the company is created (friendly for selfless dissemination of knowledge among workers) such an enterprise may be unsuccessful despite possession of large amounts of tacit as well as explicit knowledge. Therefore, a substantial part of knowledge management should be also creating such working climate and work environment and corporate culture, where knowledge finds the right recipient in a natural way. If the managers in the top positions of the company are not able to understand this principle, the company has no great chance to significantly differentiate on a particular market and I fear that in a long term it may have also a problem to survive.

The practical experiences demonstrate clearly that there is a direct parallel between knowledge management and corporate culture. A substantial part of the application of knowledge management in an enterprise is the application of modern principles of management and seeking inspiration also in other scientific disciplines, especially in psychology.

3. Research as a tool to determine the current situation in an enterprise

In order to find out for the company management, what is the current situation in a particular company or its part it is important that management regularly applies proper research.

Requirements on the properties of the selection file which replaces the basic file, are different in a quantitative research (representativeness, greater range) as well as qualitative research (intention of the selection, smaller range). The process of selecting respondents follows mainly three basic steps depicted in Fig. 2. [3]



(2)

To determine the real needs and atmosphere in the workplace it is often sufficient to apply a very simple research methods such as conversation. In case of an interview it is necessary to plan the whole conversation clearly and in advance, especially what kind of conversation will be concerned, by which we limit the communication style. It is necessary to know the setting of the research project and the way to solve it. The initiation of the conversation serves to ensure that the person asking questions explains the objective of the research and the reason why the respondent is interviewed. A friendly atmosphere should be established.

We know the three basic types of interviews:

1. **Non-standardized interview** derives “naturally” from the communication of the interviewer and respondent, respectively from the setting of the conversation topic. The respondent often even does not notice that he/she is interviewed by the interviewer.
2. **Semi-standardized interview:** the interviewer has a set of questions available which he/she has to ask, but various supplementary questions depending on the knowledge of the respondent may appear during the conversation.
3. **Standardized interview** requires precisely set procedures, precise order and wording of the questions.

It is, however, not so important what type of research is used by managers. It is important that the research is relevant, fast and accurate and the research results are used to create the most effective measures to create such an atmosphere and environment in the company, which serves for the effective dissemination of tacit and explicit knowledge, whether for internal or external customers. Innovation together with knowledge of workers and their effective dissemination to internal and external customers, supplemented by knowledge and strategic management, may be the right recipe for a long-term prosperity of the enterprise.

4. Conclusion

Managerial work is a largely creative job. It often functions in practice that the manager gets a goal but he has to find the way to pursue it by himself. We can program success and failure in ourselves mainly in our heads. This means that the psychic plays a big role in managerial life. Our consciousness can be largely programmed to success as well as failure.

In the summer of 2013 we organized a visit of our factory in Vyškov in Moravia for our customer in the Czech Republic. He was a Production Manager of one printing house and he told me how he was doing business in the past. Despite the fact that he was very successful from the beginning, he ended up with debt. The main reason was that his partner has not paid for the last large supply of goods. This fact has caused that a successful person became a debtor. He got into big problems which he could mentally bear only very badly.

He began to lose hair and got strong allergy to pollen from flowers. This allergy was so strong that when he went out in the summer, he often started to choke. He ceased to live life to which he was accustomed, and in the summer he had to use a large number of medicines against allergy to flowers, respectively to their pollen. He was mentally down. At that time he got angry very quickly and often responded to normal situations with a rush of anger.

Once in the summer he came into the living room of his family home in Prague and there was a huge bouquet of colourful flowers on the table in a large glass vase that his wife had arranged. As soon as he looked at this bouquet, huge allergic reaction was triggered in him. He began to choke and cough. A stream of tears was dropping from his eyes and he turned completely red. A severe allergic reaction to pollen was generated in him

as always. At that time he was also hypersensitive and acted very emotionally, he got angry and threw the heavy vase with flowers through a closed window, which he completely destroyed.

Then his wife rushed into the room and began to laugh uproariously. He began yelling at her blankly and began to reproach her, how she could do such a thing to him, a strong allergic sufferer, to put a huge bouquet of flowers on the table and asked her whether she wanted to suffocate him. But the wife continued to laugh and told him: "Go to the street under the broken window to see. That bouquet of flowers was artificial and certainly could not cause a reaction to pollen in you, since artificial flowers have no pollen. My personal opinion is that you do not have a real allergy," continued his wife. "You have suggested your allergy to you. You have a similar problem with your hair loss. All your problems are in your head." That experience helped him a lot. Later he learned that the wife has planned this for a long time in order to get him to normal life.

It is true that almost everything is only in our heads, success, but also failure. We would probably solve a lot of things differently if we could be able to look at them with different optics than we commonly look. We cannot expect life to be always just nice. We need to take into account that the path of life is full of pitfalls, and to fully live our lives is exactly the same art as to build a structure of architectural value. Our free society offers us on one hand a possibility to be a very important man, and on the other hand we can get to the rock bottom of society and even become homeless. Everything depends largely on us. Someone is able to succeed and build his imaginary Eiffel Tower or Statue of Liberty during his life. Unfortunately someone else is not capable to create anything, but on the other hand he has a pile of excuses why this is so and he could not do anything.

During the construction of the Eiffel Tower the builders encountered a huge number of obstacles. They had to count with it and literally struggle with problems. Neither the engineer Gustav Eiffel would have achieved in his life what he wanted if he had not been convinced in advance that he can. He had many supporters, but also opponents and critics. Even the Eiffel Tower faced opposition of the people of Paris which have considered it to be a slur. Outraged artists called it a "tragic street lamp". In artistic and literary circles there were campaigns conducted against the tower. Today, however, the Eiffel Tower generally belongs to one of the most beautiful examples of the world architecture. The whole world knows Gustave Eiffel, although at the beginning of his career, only a few people took him seriously. Eiffel had originally only a 20-year permit for the tower. It had to be demolished in 1909. But among other things, the tower had been used for telecommunications purposes, so the relevant authorities allowed it to stay.

No tree grows to the sky. This old saying is basically true. The author also thought by that that he always hits a limit, where for some reason it is not possible to achieve more, despite the fact that we would like. On one hand this saying is true, but on the other hand, when we look back to history what was the world several hundred years ago and what it is now, we must be necessarily impressed by the huge progress that humanity has made. The human society is a very complex organism that constantly evolves. Without continuous improvement of us, the people, we could not be able to achieve such successes.

We can learn very well from history and it is clear that continuous improvement of all possible and impossible things will continue. We all have to adapt to this trend, because we live in a world which rewards the prepared. Dissemination of knowledge clearly helps this improving. It is necessary that the company management creates conditions for the employees that those who have knowledge also transfer it whether to subsequent generation or to new colleagues. Such an approach can largely influence prosperity of a particular enterprise.

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