Chapter XIII
Effects of Managerial Drivers and Climate Maturity on Knowledge–Management Performance: Empirical Validation

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ABSTRACT

This study examined the effects of the organizational climate maturity on knowledge-management performance, measured in terms of knowledge quality and knowledge-sharing level. Reward, top management support, and IT service quality were investigated as the managerial drivers to positively influence such climate maturity. The hypothesized relationships were tested by the partial least square analysis, with data from 42 organizations in Korea. Findings of the study indicate that a more mature (knowledge friendly) organizational climate is linked to higher knowledge-management performance; reward, top management support, and IT service quality are critical managerial drivers influencing such climate maturity.
INTRODUCTION

As knowledge emerges as the primary strategic resource for firms, researchers and practitioners strive for clues about how to accumulate knowledge resources effectively and manage them for competitive advantages. On the practice side, building a knowledge-management system or creating a knowledge-repository system with database or data warehouse technology has been the most common example. However, as firms in more advanced knowledge-management stages came to realize, successful knowledge-management initiatives seem to require systematic managerial efforts as well beyond building repositories, networks, and search engines (Wasko & Faraj, 2005; Yu, Kim, & Kim, 2004).

Researchers have warned that using information technologies is not a panacea (Alavi & Leidner, 2001; Ruggles, 1998). They focused more on the knowledge itself and its creation and sharing within an organization, emphasizing the role of organizational culture and motivation of individual knowledge workers (Bock, Zmud, Kim, & Lee, 2005; Brown & Duguid, 1998; Holsapple & Joshi, 2001). In this study, we verify whether a knowledge-friendly organizational climate (learning orientation, trust, employee commitment), as claimed in the literature, is indeed linked to superior knowledge-management performance (in terms of knowledge quality and level of knowledge sharing), and if it is, what managerial drivers are closely related to fostering such an organizational climate. The following sections will review the relevant conceptual background, introduce the research model and hypotheses, describe the research method, and discuss the research results and implications for future studies.

CONCEPTUAL BACKGROUND

Organization as a Knowledge System

Organizations increasingly compete on the basis of their intellectual assets (Klein, 1998). To lead in the market, organizations should continuously create and accumulate organizational intellectual assets such as knowledge, experience, expertise, and associated soft assets from internal and external sources, and use them effectively to introduce superior products and services. What their intellectual assets are and how they are created and accumulated crucially depend on a particular inquiring system that is in place in an organization (Mitroff, 1990). That is, organizations usually scan their environment and interpret possible problems or opportunities through the lens of their own inquiry system.

Based on the interpretation, organizations plan and carry out actions, and finally learn through the system. Similarly, Argyris and Schon (1978) saw the firm as a system of knowing activity, and defined organizational learning as a process of putting cognitive theories into actions through the single- and double-loop learning. Here, single-loop learning takes place when errors are detected and corrected and firms carry on with their present policies. Double-loop learning occurs when, in addition to detecting and correcting errors, the organization is involved in questioning and modifying the existing norms, procedures, policies, and objectives. Thus, double-loop learning involves changing the organization’s knowledge base or firm-specific competencies or routines (Dodgson, 1993). In this study, we adopt a perspective that an organization’s competitiveness is reinforced through its learning, and such learning takes place when critical and relevant knowledge is created, shared, and utilized effectively among its members.