Chapter 8
Impact of Organizational Culture on Knowledge Management in Higher Education

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ABSTRACT

Knowledge management is a set of purposeful activities led by management in order to enable and support generation, storage, transfer and application of knowledge within an organization so as to create value and improve the organization’s effectiveness. The effectiveness of these activities is in a large part dependent on organizational culture, which can support or impede the two-way social process of learning and knowledge sharing between individuals, groups, organizations, and artifacts. This chapter discusses the fundamentals of organizational culture and knowledge management, their definitions, components, and processes. Specifically, the study presented is focused on how different types of organizational culture, as defined by the competing values framework, might be related to the iterative processes of knowledge generation, storage, transfer, and application in higher education.

INTRODUCTION

In the knowledge society, also known as the post-industrial, post-capitalistic and information society, knowledge is its most important production factor, rather than capital, land or labor (Drucker, 1993). In modern economy successful organizations are organizations which create, store, share and embody new knowledge in the form of new or improved products and services. Therefore, it is not surprising that in the last decade and a half, a new field of research in management has been developed, known as ‘knowledge management’ (KM). Knowledge management is a complex multi-faced and multi-layered concept which we can define as a coherent system of activities oriented to “find, select, organize, disseminate, and transfer important
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Information and expertise necessary for activities such as problem solving, dynamic learning, strategic planning and decision making” (Gupta et al., 2000, p. 17).

Knowledge management is especially important for organizations that are comprised of experts (Dawson, 2000) where success depends upon the generation, utilization, and uniqueness of their knowledge base (Donaldson, 2001). Such institutions are characterized as having knowledge as both their main production factor and their final product (Goddard, 1998). It would seem appropriate to consider higher educational institutions as organizations comprised of experts.

Higher educational institutions (HEIs), just as any other organization that operates in a dynamic environment, have to respond rapidly to changing environments in order to survive. They also need to anticipate further changes that will require yet more redesign in organizational structure and practice. A number of different external drivers of change regarding HE have been cited in the literature (Bates, 1997; Levine, 2000; Middlehurst & Woodfield, 2006), these are the radical shift from an industrial to a knowledge society, government’s demand for usable knowledge and cost efficiency, demographic changes, market pressures from industry, internationalization of higher education, lifelong learning, the paradigm shift from teaching to learning, new technologies, and globalization. All these drivers bring new challenges to HEIs, which, it has been argued, can be partly solved by adopting forms and practices used in private and corporate management, especially regarding forms of educational governance (Meyer, 2002), but in the largest part only effective KM seems to be the appropriate solution.

Ward (Zappia, 2000) wrote, that education “is an enterprise so wholly dissimilar from those of ordinary business life that an entirely different set of principles must be applied to it throughout.” The nature of HEIs is that they are at the same time educational and research institutions where knowledge processes (should) occur on a daily basis. It is perhaps because of this specific nature that most KM research has been done in the commercial sector while comparatively little has been done to investigate KM processes within HEIs, as Sharimllah Devi et al. (2007) write (see also Kidwell et al., 2000; Park et al., 2004).

On the other hand, we cannot properly discuss about KM if we do not consider its relation to organization culture. Organization culture develops during the process of external adaptation and internal integration and consists of underlying assumptions, collective memories, and core values which most people share (Schein, 1984). Most scholars agree that organizational culture has a large impact on the processes within organizations, starting with Schein (1996, p. 231) who claimed that culture is “one of the most powerful and stable forces operating in organizations” (see also Bollinger & Smith, 2001). This view is also shared by managers as the benchmarking company survey ranked culture as the most critical success factor (Mertins et al., 2001). Based on that we can conclude that people within HEIs have to accept some common rules and ways of doing, which are part of the organizational culture, if they want to effectively work together, learn, and share knowledge.

The aim of this chapter then is to develop a better understanding of the relationship between organizational culture and KM processes in HEIs. The Competing Values Framework devised by Robert E. Quinn and John Rohrbaugh was used to analyze the differences in organizational culture profiles and how the might be related to the various KM processes. Such an understanding would enable practitioners to be aware of the impact different cultural types might have on KM processes in HEIs and based on that prepare possible future activities for better managing scholarly knowledge in a certain cultural setting or changing organizational culture through appropriate initiatives.

The results of our research reveal that there are significant relationships between some orga-