

## ORGANIZATIONAL MEMORY: FROM A CULTURAL PERSPECTIVE

Ming-Fong Lai

Department of Commerce Automation & Management,  
National Pingtung University  
mflai@mail.nptu.edu.tw

### Abstract

The knowledge base of companies is increasingly observed as the bedrock of a company's performance, and culture is often observed as the key inhibitor of effective knowledge management. This study discusses the implementation of an organizational memory (OM) project that ensures a sustainable competitive advantage of an organization. Moreover, the main problem under investigation is how to assess the importance of organizational culture within an enterprise and ascertain how it can ensure OM that would keep sustained fitting and properly. An empirical survey was conducted in Taiwan's companies to investigate the understanding of the organizational cultures as well as determine enablers and barriers to implement OM. This study highlights the need to consider culture when OM is implemented that may be incompatible with the existing culture. Such organizations can benefit from understanding the culture's role in OM implementation. Further, when establishing such a program, it is suggested that enterprises should adopt entrepreneurial or innovative cultures. Awareness of external versus internal focus of organizations makes them enlighten of the developments in organizational culture efforts and conducive to implement OM.

Key words: knowledge management, culture, organizational memory

### Introduction

Numerous executives, consultants, and management theorists have recently reported that knowledge now constitutes the major source of competitive advantage for organizations (Camisón & AnaVillarLópez, 2011). This knowledge based view of a firm argues that creating, organizing, and conducted knowledge

assets are the essence of what firms do (DeLong & Fahey, 2000). Thus, their effectiveness in these activities, relative to the competition, determines performance. However, the efforts of many companies to manage knowledge have not achieved their required objectives, and there is a growing sense of disenchantment among executives about the practicality of trying to

enhance organizational knowledge.

Numerous conducted studies (Ali et al., 2018) expressed considerable interest in knowledge management practices, cultural issues, and organizational memory (OM). For example, Chaminade and Johanson (2003) proposed that culture might affect the assumptions of knowledge as well as the creation and adoption of new knowledge. Thus, it may determine the emergence of intellectual capital management and report. Considering the ethnographic observations in the US police departments, Sierra-Arévalo (2019) described how consistent features of police culture is maintained by commemorating officers killed in the line of duty. Through the use of commemorative cultural artifacts, officers and departments construct an OM that locally reflects and reifies the salience of danger and potential death in policing. Additionally, Adobor et al. (2019) explored OM in three public agencies in Ghana. Their study confirmed that knowledge management capability has a positive and significant impact on OM. In particular, knowledge acquisition and retention capabilities are critical variables in building OM.

Our study in 154 companies pursuing knowledge management activities reveals that organizational culture is widely known to be the major barrier to create and leverage knowledge assets. This study demonstrates the importance of cultural perspective on many issues central to effective knowledge management; it also explores what kind of organizational culture that more benefits the performance of OM. Consequently, our intent is to provide

managers and researchers with a reexamination to understand and diagnose how and what organizational culture would favor attempts to generate and leverage OM.

### Literature Review

Knowledge as an important source for maintaining an invaluable heritage, learning new cases, and solving problems has the highest power in creating new susceptibilities and situations at present and future to progress in the wisdom and knowledge-based era (Kubo & Saka, 2002; Liao et al., 2004; Arntzen-Bechina & Leguy, 2007). In addition, knowledge sharing behavior is perceived when an individual distributes their obtained knowledge to other members within an organization (Myers, 1996; Nonaka & Takeuchi, 1995; Fruin, 1997; CutcherGershenfeld et al., 1998; Drucker, 1999; Lahti & Beyerlein, 2000; Ndlela & Toit, 2001; Moghavvemi et al., 2017). The knowledge base of companies is increasingly observed as underlying a firm's performance, and the role of organizational culture within this framework is observed as greatly associated with a firm's competitive performance (Feiz et al., 2017).

### *Organizational Culture*

The major reasons for the widespread popularity and interest in organizational culture stem from the argument (or assumption) that certain organizational cultures lead to superior organizational financial performance (Ogbonna & Harris, 2000). Many academics and practitioners argued that the performance of an organization depends on the degree to which the

values of the culture are extensively shared, that is, are “strong” (Kotter & Heskett, 1992; Denison, 1990; Knapp, 1998; Schein, 1978).

The claim that organizational culture is linked to performance is based on the perceived role that culture can play in generating competitive advantage (Scholz, 1987). By defining the boundaries of the organization in a manner that facilitates individual interaction and/or limiting the scope of information processing to appropriate levels, Krefting and Frost (1985) suggested a way in which organizational culture may create a competitive advantage. Similarly, it is argued that widely shared and strongly held values enable management to predict employee reactions to certain strategic options, thereby reducing the scope for undesired consequences (Ogbonna, 1993; Ogbonna & Harris, 2000). Theorists also argue that a sustainable competitive advantage arises from developing organizational competencies that are both superior and imperfectly imitable by competitors (Reed & DeFillippi, 1990). To this end, it is argued that the “uniqueness quality” of organizational culture makes it a potentially powerful source of generating advantage over competitors. Indeed, numerous commentators advised organizations and researchers to exploit multiple advantages that could be offered by culture instead of focusing on the more tangible side of the organization (Johnson, 1992; Prahalad & Bettis, 1986).

Overall, the literature on organizational culture is rich and diverse. Much of the richness is based on the claim by numerous researchers that

culture is connected to organizational performance. While sufficient evidence exists to suggest that organizational culture is associated with organizational performance, some theorists have questioned the universality of a culture-performance link (Shaari, 2019).

### *Performance of OM*

OM is a generic concept utilized to describe saving, representing, and sharing corporate knowledge (Croasdell, 2001). Walsh and Ungson (1991) referred to OM as stored information from an organization’s history that can revive present decisions. Following their definition, OM provides information that reduces transaction costs as well as contributes to effective and efficient decision making, and it is a basis for power within organizations. Further, it supports cooperation in multiple-task and multiple-user environments. The concept includes technical, functional, and social aspects of the work, worker, and workplace. It includes what can be conveyed through a written record, such as corporate manuals, databases, and filing systems (Ackerman, 1996).

OM is both connected and retentive. If memory exists but is unconnected, it does little to help an organization. Likewise, if memory is easily lost, it cannot be considered very useful. Moreover, temporal information and poor retention would result in a system that is less robust and less likely to be relied on. Stein and Zwass (1995) recognized this fact. They indicated that OM depends on the knowledge that is spatially distributed throughout the processes, individuals, and artifacts of the organization and beyond its

boundaries.

Researchers and practitioners acknowledge OM as an important factor in the success of an organization's operations and its responsiveness to the changes and challenges of its environment [Stein, 1995]. One such change occurs when employees leave the organization. Additionally, personnel turnover can significantly influence OM because much of the memory is situated in the minds of individuals. While the new workers challenge old assumptions and introduce new world views, the knowledge and experience of former employees are equally important in understanding the context and circumstances that contribute to OM. Thus, establishing mechanisms to capture information held by individuals while they are employed by the organization, and incorporating it into an automated information system could prove to be particularly valuable to organizations. Such a system could relate to the individuals' collective experiences, thereby providing background knowledge for understanding organizational policy, procedures, culture, and practices.

#### *Organizational Culture and Performance of OM*

People are the key component to knowledge management; hence, the type of culture existing in an enterprise is very crucial to the performance of OM. Davenport and Prusak (1998) highlighted that as enterprises interact with their environment, they absorb information, turn it into knowledge, and take action based on it combined with their experiences as well as values and

internal rules. Enterprises that are serious about knowledge foster an environment and culture that support continuous learning. Additionally, culture is a basic building block to OM. Therefore, it must be considered when introducing a new knowledge management program since it affects how the enterprise accepts and fosters that program (Ndlela & Toit, 2001). If OM is to be an integrated aspect of how work is done in an enterprise, it must become an integrated aspect of the culture. Therefore, to ensure successful implementation of knowledge management, OM should be addressed in the enterprise's mission, vision, and goal statements as well as emphasized in enterprise-sponsored training and enterprise communication. Developing a knowledge friendly culture, which is a crucial factor of success for a knowledge management project, is very difficult. It requires strong leadership and change of both attitudes and behaviors (Lin & Lee, 2004). When knowledge management is properly introduced, great things are achieved with concurrent efforts to manage change in the enterprise. It has enabled enterprises to be more competitive and do more in a short period.

#### Research Model and Hypotheses

This study focuses on organizational culture which managers and scholars have largely accepted the notion that it is associated with positive organizational results (Jassawalla & Sashittal, 2002), and there is increasing evidence suggesting that cultures supportive of knowledge programs in high-technology firms (henceforth innovation-supportive cultures) can

foster creative, innovative, and initiative-taking behaviors among participants, i.e., behaviors that are connected to the advantageous performance of OM (DeLong & Fahey, 2000). In this study, we attempt to apply culture to predict and explain the performance of OM. Therefore, this study examines what kind of organizational culture would benefit the

performance of OM. Figure 1 shows the suggested research model for this study.

There are basically no good or bad cultures. A culture is good, i.e., effective, if it reinforces the mission, purposes, and strategies of the organization. It can be an asset or a liability. Consequently, strong cultural norms make an organization efficient. Everyone knows

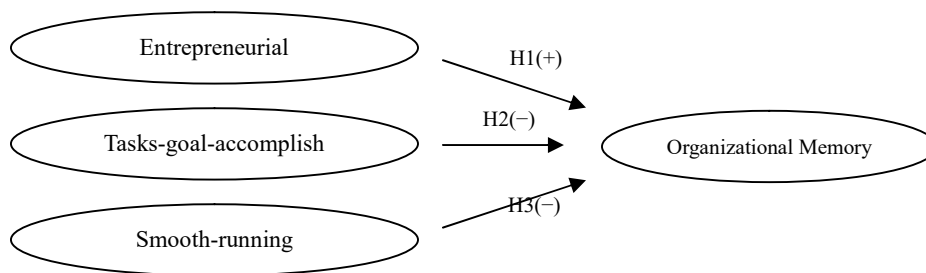


Figure 1. Research model

what is important and how things are done. For culture to be effective, it must not only be efficient but also appropriate to the needs of the business, company, and employees. Organizational cultures, such as people's personalities, are elusive, complex, and paradoxical. Understanding culture means comprehending the difference between the formal and informal rules as well as the espoused and real ways of doing things. To survive and thrive in an organization, one must evaluate and operate within its hidden cultural expectations and rules. Therefore, this study focuses on the aspects of entrepreneurial, tasks goal accomplish, and smooth-running of an organizational culture that may affect the performance of OM (Wallach, 1983; Cameron, 1985; Ogbonna & Harris, 2000).

#### *Entrepreneurial culture toward the performance of OM*

An entrepreneurial culture is a culture that values flexibility and has an external focus. Innovative and ambitious people progress in these environments, which are creative places to work as well as filled with challenges and risks. The stimulation is often constant. Thus, an individual well-suited to an innovative company is driving, enterprising, challenging, stimulating, creative, and risk-taking. Therefore, we propose the following hypothesis:

*H1*: Entrepreneurial culture will positively affect the performance of OM.

*Tasks-goal-accomplished culture toward the performance of OM*

Tasks-goal-accomplished cultures are production oriented. A major concern is getting a job done. People are not very personally involved. In this kind of culture, a company emphasizes competitive actions and achievement. People with a high need for goals compete with each other, and the best managers are considered to be producers, technicians, or hard-drivers. Further, we propose the following hypothesis:

*H2: Tasks-goal-accomplished culture will negatively affect the performance of OM.*

*Smooth-running culture toward the performance of OM*

Smooth-running cultures are hierarchical and compartmentalized. The work in this kind of cultural atmosphere is organized and systematic; these cultures are usually based on control and power. The companies are stable, careful, and, usually, mature. In this kind of culture, people with a high need for power are motivated by the desire to affect the lives of others. They enjoy organizational politics and are highly sensitized to group dynamics. They also enjoy prestige, actively seek leadership/influential positions, and frequently give unsolicited advice. Just like in a bureaucracy-like culture, meaning the organization is power-oriented, cautious, established, solid, regulated, ordered, structured, procedural, and hierarchical. Thus, we propose the following hypothesis:

*H3: Smooth-running culture will negatively affect the performance of OM.*

Research Methodology

*Participants*

Our participants were 1010 senior managers randomly selected from the top 2000 largest firms in Taiwan. The Common Wealth Magazine provided a sufficient sample of senior managers utilized for analysis using structural equation modeling. A cover letter explaining the study's objectives and a stamped return envelope were enclosed. Furthermore, follow-up letters also were sent about three weeks after the first one.

A total of 154 usable questionnaires were returned for a response rate of 15.25%. The percentages of the participating firms are as follows: manufacturing firms (48%), financial firms (18%), telecommunication firms (8%), and others for the remainder, including real estate, construction, and transportation firms. The companies' number of employee are as follows: over 1000 (40%), between 500 and 1000 (23%), between 100 and 500 (22%), and less than 100 (15%).

*Measures*

In this study, some items are adapted from previously conducted studies and modified for contextual knowledge management. All constructs were measured multiple items on a 7-point Likert-type scale (1 = disagree strongly, 7 = agree strongly). The Appendix presents all the survey items (see Table 1). We classify organizational culture into three: entrepreneurial, tasks-goal-accomplished, and smooth-running. There are 4 items of entrepreneurial culture.



Tasks-goal-accomplished and smooth-running cultures have 2 items each (Deal & Kennedy, 1982; Wallach, 1983; Harris, 1982; Cameron, 1985; Kotter & Heskett, 1992; Randolph & Sashkin, 2002; DeSanctis et al., 2002). In addition, Performance of OM was measured using 10 items described. Finally, by establishing content validity, the questionnaire was refined through rigorous pre-testing by 5 management information systems (MIS) doctoral students and 3 relative field professors who were invited to help us.

## Data Analyses and Results

### *Descriptive Statistics*

The means, standard deviations, and zero-order correlations for the 4 measured variables are shown in Table 2. Additionally, data were checked for normality, which is a critical assumption underlying the maximum-likelihood procedure employed in this study. Results revealed univariate normality for all measured variables (Joreskog & Sorbom, 1986; Beck et al., 1974).

### *Measurement Model*

The research instrument applied confirmatory factor analysis (CFA) to

examine the reliability and validity of the results.. In the model, there are 8 items describing three constructs for culture, including Entrepreneurial (ENTR), Tasks-goal-accomplished (TASK), and Smooth-running (SMOO). Another construct, Performance of OM (POM), utilized 10 items to describe what status is in an organization.

We used a CFA to develop a measurement model with an acceptable fit to the data. Once an acceptable measurement model was developed, the structural model was tested. First, calculating the composite reliability assessed the internal consistency of the measurement model (Lin & Lee, 2004), which was estimated by applying the maximum-likelihood method in the analysis of moment structures (AMOS) program. The interpretation of the resultant coefficient is similar to Cronbach's alpha. The only difference is that the latter also considers the actual factor loadings instead of assuming that each item is equally weighted in the composite load determination. Table 3 demonstrates the composite reliability; all latent constructs exceeded the benchmark of 0.6 recommended by Bagozzi and Yi (1988).

Table 1. Constructs Definition

Constructs	Definition	References
Entrepreneurial culture	It is dynamic and entrepreneurial. People are willing to take risks. There is an emphasis on being first.	Nahm et al., 2004; Andreou & Boone, 2002; Randolph & Sashki, 2002; Wallach, 1983
Tasks-goal-accomplished culture	It is an emphasis on tasks and goal accomplishment. Competitive actions and achievement.	Kubo and Saka, 2002; Martin, 2000; Cameron, 1985; Harris, 1982
Smooth-running culture	Maintaining a smooth-running company is important here. This company is very formalized and structured.	DeSanctis et al., 2002; Kotter & Heskett, 1992; Wallach, 1983; Deal & Kennedy, 1982
Performance of OM	It is about renovating, quality, and quantity of knowledge in an organization.	Holan et al., 2004; Chaminade & Johanson, 2003; McDermott, 2001; Hendricks & Vriens, 1999; Buren, 1999

Table 2. Means, Standard Deviations, and Zero-Order Correlations for the 4 Observed Variables

	Mean	1	2	3	4
1. ENTR	15.7597	5.1106			
2. TASK	6.9416	0.323	2.7683		
3. SMOO	6.7273	0.423	0.323	2.5700	
4. POM	42.7987	0.318	-0.083	-0.168	10.6473

Note. N = 154. Standard deviations are shown on the diagonal. ENTR = Entrepreneurial culture; TASK = Tasks-goal-accomplished culture; SMOO = Smooth-running culture; POM = Performance of OM. The absolute values of standardized residuals are less than 2. The absolute values of correlations greater than 0.17 were significant at  $p < 0.01$ .



Table 3. Results of Measurement Model Using CFA

	<i>Latent construct</i>	<i>Item</i>	<i>Unstandardized factor loading</i>	<i>SE</i>	<i>Factor loading</i>	<i>Composite reliability</i>	<i>Variance extracted</i>	
Organizational culture	Entrepreneurial	ENTR1	1.00		0.760 ***	0.793	0.674	
		ENTR2	1.14	0.125	0.795 ***			
		ENTR3	0.91	0.099	0.807 ***			
		ENTR4	0.53	0.096	0.474 ***			
	Tasks-goal accomplished	TASK1	1.00		0.689 ***	0.666	0.517	
		TASK2	1.06	0.338	0.771 *			
Performance of OM	Smooth-running	SMOO1	1.00		0.630 ***	0.668	0.456	
		SMOO2	1.37	0.440	0.656 *			
	Performance of OM	Smooth-running	POM1	1.00		0.882 ***	0.909	0.873
			POM2	0.90	0.059	0.828 ***		
			POM3	0.95	0.067	0.832 ***		
			POM4	1.03	0.072	0.835 ***		
			POM5	0.97	0.070	0.818 ***		
			POM6	0.88	0.070	0.824 ***		
			POM7	1.05	0.070	0.792 ***		
			POM8	0.90	0.071	0.853 ***		
POM9	0.86	0.060	0.851 ***					
POM10	0.94	0.073	0.801 ***					

Note: \*\*\*  $p < 0.001$ ; \*  $p < 0.05$

Second, three indices were utilized to evaluate convergent validity for the models (Byrne et al., 1989; MacIver & Carmines, 1981; Bentler & Bonnett, 1980; Chau & Hu, 2001): the comparative fit index (CFI) (values of 0.92 or greater are desirable), goodness of fit index (GFI) (values of 0.90 or greater are desirable), and root-mean-square error of approximation (RMSEA) (values of 0.06 or less are desirable). Finally, we applied the chi-square difference test to compare nested models. Further, an initial test of the measurement model resulted in a relatively good fit to the data:  $\chi^2(114, N = 154) = 150.242, p < 0.001, GFI = 0.904,$  and  $RMSEA = 0.046$  (90% confidence interval (CI): 0.022, 0.064). All loadings

of the measured variables on the latent variables were statistically significant ( $p < 0.05$ ).

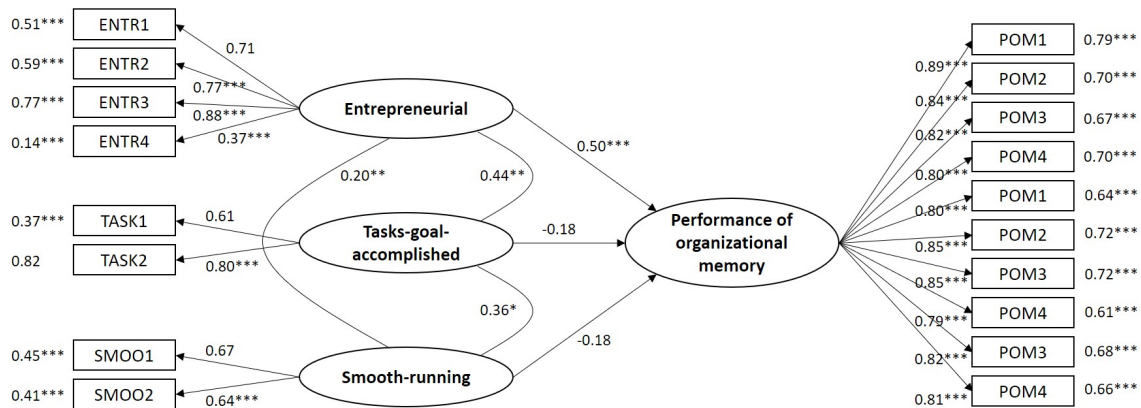
Therefore, all latent variables appear to have been adequately measured by their respective indicators. Additionally, the correlations between the independent (exogenous) and dependent latent variables were statistically significant ( $p < 0.05$ ; see Table 4). To evaluate the discriminant validity, we also examined the correlations of potentially overlapping constructs from the table. The correlations of any pair of measures did not exceed 0.9 level (Hair et al., 1998), implying that multicollinearity does not exist among the constructs.

*Structural model*

We tested the structural model using the maximum-likelihood method in the AMOS program. The results demonstrated a very good fit of the model to the data:  $\chi^2(117, N = 154) = 159.314, p < 0.001$ , CFI = 0.977, GFI = 0.901, and RMSEA = 0.049 (90% CI: 0.027, 0.067). However, path coefficients from tasks-goal-accomplished and smooth-running cultures to the performance of OM ( $\beta_{TASK \rightarrow POM} = -0.18$ ;  $\beta_{SMOO \rightarrow POM} = -0.18$ ; see Table 5) were not statistically significant. Therefore, we constrained this path to zero to observe whether this would worsen the fit of the model to the data. The results of these modified models also demonstrated a very good fit to the data (see Table 6). Further, a chi-square difference test utilized to compare the default model with these modified models indicated no difference in the fit for the two models:  $\chi^2(1, N = 154) = (2.645, 8.931)$ , CFI = (0.001, 0.003),

NFI = (0.001, 0.005), GFI = (0.002, 0.007), and RMSEA = (0.000, 0.003) (see Table 5). This result indicated that the direct path from tasks-goal-accomplished and smooth-running cultures to the performance of OM did not significantly contribute to the model. Therefore, we employed the default model in this study.

Moreover, to determine the validity of the hypothesized paths, the statistical significance of all the structural parameter estimates was examined. Table 6 presents the structural parameter estimates and hypothesis-testing results (see Figure 2). Note that H1 predicts a positive relationship between entrepreneurial and performance of OM. Analytical results supported H1 with a significant path coefficient of 0.50 ( $p < 0.001$ ). Moreover, H2 and H3 predict a negative relationship between tasks-goal-accomplished or smooth-running culture and performance of OM.



N = 154. ENTR = Entrepreneurial culture; TASK = Tasks-goalaccomplished culture; SMOO = Smooth-running culture; POM = Performance of OM. \*  $p < 0.05$  \*\*  $p < 0.01$  \*\*\*  $p < 0.001$ .

Figure 2 The Structural Model.

Table 4. Latent Constructs' Correlations

	1	2	3	4
1. ENTR	-----			
2. TASK	0.276 **	-----		
3. SMOO	0.214 **	0.277 **	-----	
4. POM	0.392 **	0.026	-0.049	-----

Note. N = 154. \*\* p < 0.01

Table 5. Hypothesis-Testing Results

Hypothesis	Path	Path coefficient	Standard error	Remarks
H1	Entrepreneurial culture → Performance of OM	0.50	0.097 ***	Supported
H2	Tasks-goal-accomplished culture → Performance of OM	-0.18	0.107	p = 0.072
H3	Smooth-running culture → Performance of OM	-0.18	0.139	p = 0.096

Table 6. Modified Model Goodness-Fitted Indices' Testing

Model	Chi-square	CFI	NFI	GFI	RMSEA
Default model	$\chi^2(117, N = 154) = 159.314$	0.977	0.921	0.901	0.049 [.027,.067]
Modified model I (constrained TASK → POM)	$\chi^2(118, N = 154) = 162.510$	0.976	0.919	0.898	0.050 [.029,.067]
Modified model II (constrained SMOO → POM)	$\chi^2(118, N = 154) = 161.959$	0.976	0.920	0.899	0.049 [.028,.067]
Modified model III (constrained BOTH → POM)	$\chi^2(119, N = 154) = 168.245$	0.974	0.916	0.894	0.052 [.032,.069]

### Discussion

Our study on knowledge management initiatives has shown that OM and culture are inextricably connected in organizations. From our results, we support the notion that the

performance of OM and organizational culture can serve as a powerful frame of reference for taking actions. Thus, the stronger the entrepreneurial culture, the greater the performance of OM is, thus supporting H1 (see Table 4). Because of developmental culture's external focus

and willingness to change, developmental culture would be aware of knowledge's rapid growth and willing to explore and implement relative facilities. To determine the impact of each culture on the performance of OM, they were entered into a structural equation model. As illustrated in Table 6 and it does explain the variance in the performance of OM beyond that explained by an entrepreneurial culture.

#### *Implications for practitioners*

Managers may wish to use the questions in Table 3 to determine which cultural dimensions are the strongest within their organization. Further, it is also important to ascertain the type of knowledge already existing or missing in their organization. Then, the action can be taken to either make the knowledge management effort and OM fit or alter the culture to be more appropriate for the knowledge needed. For example, entrepreneurial cultures, which are creative, are probably more conducive to "best practices" or sharing of new ideas, while smooth-running cultures may be better oriented to more empowerment or promotion programs to encourage the sharing of new ideas or knowledge.

Moreover, awareness of the external versus internal focus of an organization will make it aware of the developments in organizational culture efforts and conducive to implement OM. Sharing of knowledge is becoming increasingly difficult to ignore; as a result of having an external and proactive focus, an innovative culture with employees willing to try new things should help the organization explore OM adoption, and perhaps novel use, to

remain competitive.

#### *Implications for researchers*

This study establishes that where the performance of OM is important for success (as in KM), an entrepreneurial or innovative culture may act as a facilitator. Where the culture is such that employees are mainly concerned about their best interests and there is a high level of challenge, stimulation is often constant. Since this study was conducted while implementing OM, future studies may consider whether an entrepreneurial culture is important in the sustaining of performance of OM.

Contrary to our hypothesis, tasks-goal-accomplished and smooth-running cultures did not affect the performance of OM. However, an explanation may be offered by this strongly correlated with the entrepreneurial culture. Such relationships were discussed in a previously conducted study [Ruppel & Harrington, 2001]. It may be that tasks- goal-accomplished and smooth-running cultures act as antecedents to an entrepreneurial culture, and so it is indirectly important in OM implementation. Moreover, different kinds of character performance of OM may be involved; for example, it may be that the lack of an entrepreneurial culture acts as a barrier for evaluating the quality or quantity of OM. Further studies should be conducted to clarify the characters of OM required for performance relations versus organizational culture and knowledge management activities as well as determine whether tasks- goal-accomplished and smooth-running cultures affect an entrepreneurial culture.

This study also established that an entrepreneurial (innovative) culture is directly and positively related to OM implementation, as hypothesized herein (see Table 5). Organizations fostering a developmental culture are more proactive and aware of changes in their environment. Additionally, they also tend to be in competitive environments.

### Conclusions

This study added to the body of literature on OM, cultures, and knowledge management. The findings show that a positive relationship between entrepreneurial culture and performance of organizational memory was found. The results confirmed the correlation between firm's innovativeness and knowledge management initiatives. Three hypotheses were formulated and tested using the structural equation modeling (SEM). The survey data were collected from 154 Taiwan organizations.

This study suggests that cultivating the right and positive culture that aligns with the organization goals; mission and vision offer a significant competitive advantage over competitors due to the increase of performance and productivity. Organizations that do not instill the right cultures are not able to engage in activities that will drive their cultures and generate sustained superior OM performance because their modified cultures typically will be neither rare nor imperfectly imitable in driving performance and productivity. Organizations that have successfully cultivate the right cultures with the required attributes can obtain sustained superior OM performance from their cultures.

The other hand, as the knowledge shared across various people continues to move from posting of OM, such as employee manuals and other explicit knowledge, to greater sharing of tacit knowledge, entrepreneurial and innovative cultures have become increasingly important. Consequently, it is this sharing of knowledge that gives organizations more competitive advantage from knowledge management efforts. While having culture only will not guarantee organizational success. Moreover, in OM growth and knowledge sharing, the role of trust will continue to be a major concern and may increase in importance as OM develops.

### Limitations

This study was an attempt to explore the adoption of entrepreneurial culture as an activator to support the performance of OM. Since it was a massive mailing of a somewhat lengthy and blind survey to busy managers, we believe the response rate was low. Furthermore, owing to the low response rate, generalizing these results is not easy, and it is important that the study be replicated in Taiwan.

The conclusions of this study are largely drawn on the data collected at the advent of the performance of OM, and knowledge management had much opportunity to alter culture. This study emphasized the need to consider culture when OM is implemented that may be incompatible with the existing one. Such organizations can benefit from understanding culture's role in OM implementation.

Appendix: Questionnaire Items

*Entrepreneurial culture (ENTR)*

ENTR1. Growth and acquiring new resources. Readiness to meet new challenges is important.

ENTR2. This company is dynamic entrepreneurial. People are willing to take risks.

ENTR3. A commitment to innovation and development. There is an emphasis on being first.

ENTR4. Entrepreneurs, innovators, or risk takers.

*Tasks-goal-accomplished culture (TASK)*

TASK1. This company is production oriented. The major concern is getting the job done.

People are not very personally involved.

TASK2. Competitive actions and achievement. Measurable goals are important.

*Smooth-running (SMOO)*

SMOO1. Formal rules and policies. Maintaining a smooth-running company is important here.

SMOO2. This company is very formalized and structured. Established procedures generally govern what people do.

*Performance of organizational memory (POM)*

POM1. knowledge updating

POM2. knowledge improving

POM3. knowledge innovating

POM4. more profuse knowledge in databases

POM5. more specify knowledge in databases

POM6. knowledge increasing

POM7. individual experience preserving

POM8. individual knowledge is growing up

POM9. elaboration of individual and group knowledge

POM10. diversification of knowledge resources



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