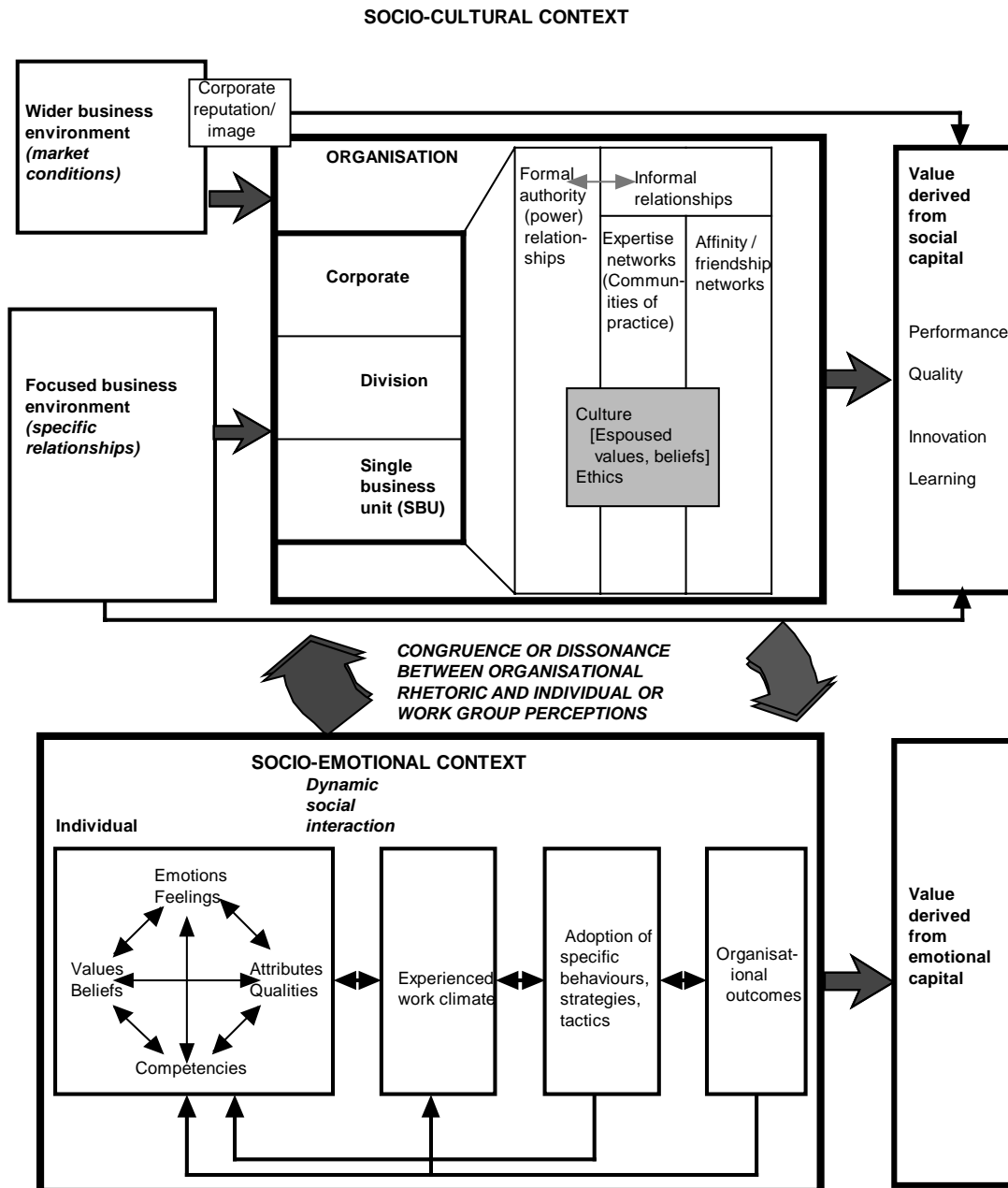
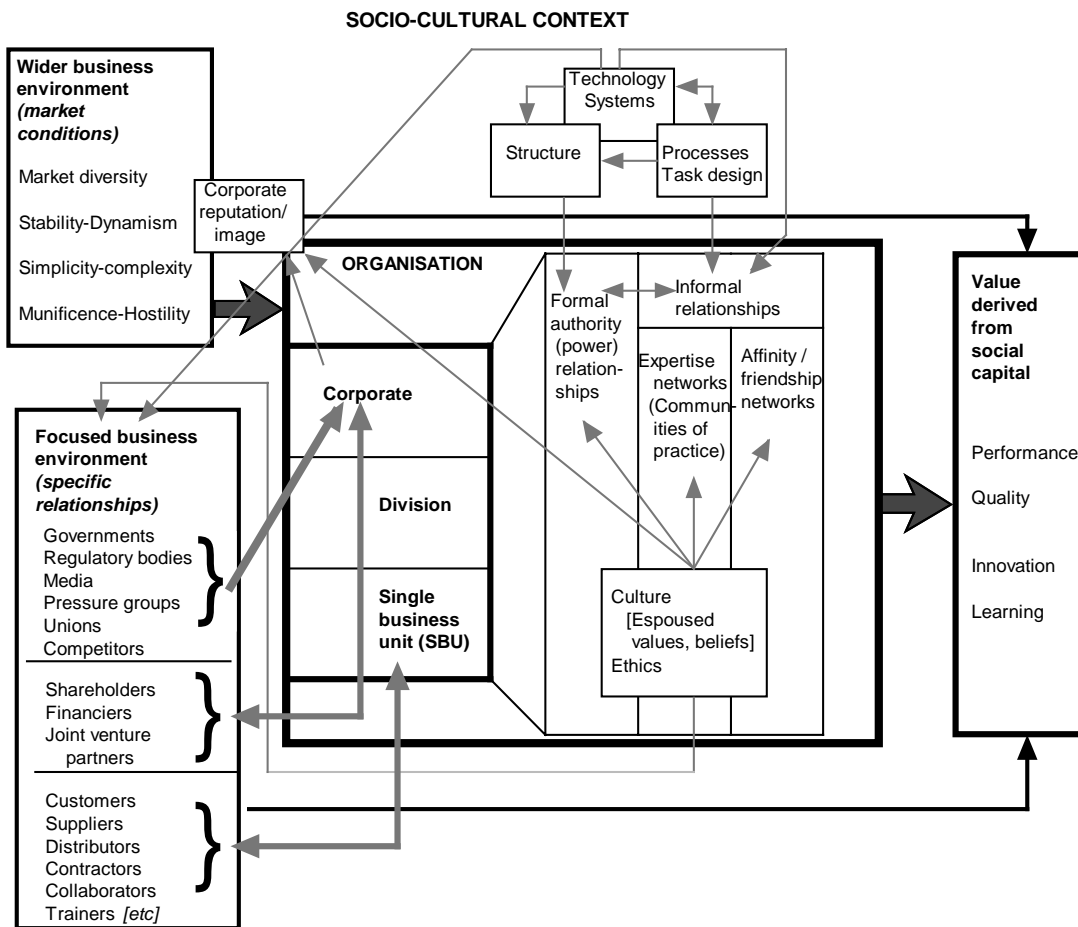


Developing a supportive organisational context for knowledge management

Overview of the holistic conceptual framework



The framework adopted differentiates two broad approaches to the study of contextual factors impacting on KM.



The socio-cultural context (Macro-level analysis)

- Encompassing the *socio-cultural context* for KM.
- Builds on the concept of *social capital*.

- Approaches the study of organisational phenomena from the *corporate* viewpoint.
- Considers the organisation as a functioning system comprised of a complex network of social interrelationships:
 - between organisational members
 - between organisational members and significant ‘others’ external to the organisation.
- These interrelationships represent substantial potential social capital value to the organisation, contributing to organisational performance, organisational innovations and learning, and quality products and services.
- **Culture**, through articulating core values, beliefs and *ethical practices*, plays a vital role in nurturing and sustaining relationships based on trust.
- Culture helps the organisation to remain attuned to its business environment, to adapt as needed to external market pressures, and to unify and integrate employees in the pursuit of organisational goals

Specific elements of the socio-cultural context model

Impact of the wider business environment (market conditions) on the organisation

The wider business environment – the broader environmental and market conditions that impact on the organisation's business.

Broader external environmental forces exert a strong impact on the organisation.

Organisational growth and survival depends on the organisation's ability to respond quickly and appropriately to demands from its environment.

Utilises Mintzberg's (1979; 1983) four key environmental variables to represent critical dimensions of the broader organisation-environment relationship:

- Market diversity (Homogeneous markets–Heterogeneous markets)
- Stability–Dynamism[Turbulence] (ie predictability–unpredictability of future conditions)
- Simplicity–Complexity (of the organisation's tasks and required expertise)
- Munificence–Hostility (ie favourable– unfavourable market conditions)

Focused business environment (specific relationships)

This part of the model identifies *specific types* of relationship between key external parties and particular levels of the organisation.

Arrows indicate the existence of information and communication links/ knowledge flows and the directionality of influence between those parties and the organisation.

The mutual interdependence between the organisation and key external stakeholders impacts strongly on organisational strategy.

The ***first group*** (including governments, legal and regulatory bodies, media groups, pressure groups, unions and competitors) are bodies that potentially have a substantial impact on the organisation, whilst the organisation itself will have limited reciprocal influence.

With the ***second group***, (including company shareholders, financiers and joint venture partners), there is a strong reciprocal interdependence and communication links between the parties and corporate headquarters of the organisation.

The *third group* (including customers, suppliers, distributors, contractors, collaborators, trainers, etc.) also has strong reciprocal links, but generally with the single business unit (SBU).

An organisation can gain significant social capital benefits through developing effective ongoing relationships and knowledge sharing with these parties.

The black arrow linking the 'Focused business environment' with 'Value derived from social capital' underscores the importance of this source of corporate social capital value.

Corporate reputation/ image

A company's corporate reputation/ corporate image (including brand names) is a vital intangible asset with enormous potential value to an organisation.

Hence the model presents corporate reputation and image in terms of an interaction between the organisation and the wider environment.

Corporate management consciously seeks to influence the company image through targeted strategies and corporate communication.

However, corporate reputation is generally less consciously developed through a company's enacted culture and ethical stance revealed in its interactions both internally and with the wider community.

The considerable value derived from corporate reputation is indicated by the black arrow linking it with 'Value derived from social capital'.

Organisational internal social capital

Effective management of the organisation's internal social relationships constitutes the major component of its social capital value.

These relationships are often differentiated on the basis of whether they are formal and informal in nature.

Formal relationships are pre-defined according to the organisational *structure* and its attendant lines of authority and power.

However, structure will be influenced also by ***technology*** and ***work processes***, at least in terms of the creation and grouping of departments/ business units.

Effective leadership and human resources management practices can maximise the value of an organisation's formal links and knowledge flows.

Informal relationships develop spontaneously according to common interests, knowledge or skills (***expertise networks*** or ***communities of practice***) or mutual attraction (***affinity networks*** or ***friendship networks***).

Work processes and technology are often important in providing opportunities for staff to develop informal relationships at work.

Formal and informal networks overlap. While they can be mutually reinforcing, informal networks can also be used to sabotage or undermine the formal structure.

Organisations can maximise the value of their internal social capital through adopting management practices that help create a supportive organisational climate or ‘learning climate’.

It is important to ensure that social relationships in place involve both *strong ties* (deep trusting relationships between those who know each other very well) and *weak ties* (more casual and infrequent relationships that introduce important new information/ knowledge essential for innovation and organisational learning).

Effective information and communication links need to be in place to facilitate the contact and ‘connection’ essential for the development of trusting relationships and knowledge sharing.

Culture and *ethics* play a central role in the development of meaningful trusting relationships both within and outside the organisation.

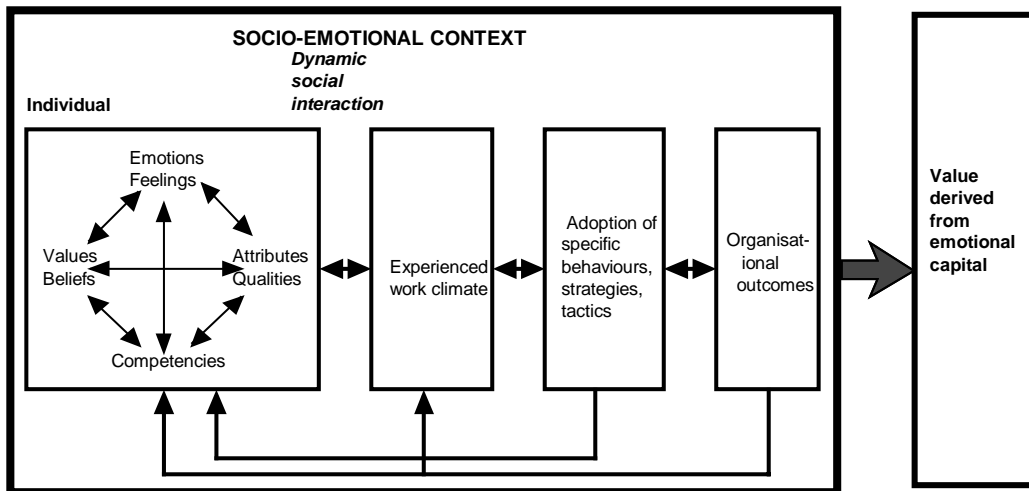
Value derived from organisational social/ relationship capital

The heavy arrow linking the 'organisation' with the 'value derived from social capital' box emphasises that the major value derived from social capital comes from internal work relationships.

In a supportive environment, substantial gains in performance, quality enhancements, innovation and organisational learning can be derived from the effective management of an organisation's social capital.

The socio-emotional context (Micro-level analysis)

- Encompassing the *socio-emotional context* for KM.
- Builds on the concept of *emotional capital*.
- Approaches the study of organisational phenomena from the viewpoint of the *individual* and *small work group* within the organization (ie the interpretivist perspective).
- Is based on the assumption that individual behaviour in organisations is affected by the individual's perceptions of significant 'others' in their social network.
- It involves consideration of individual and group values, beliefs, perceptions, motives and behaviour within the work environment.
- Represents the *lived work experience* of organisational members.



Each person has his/her own lived experience of the organisational work climate, which emerges from the interaction of unique personal attributes, feelings, beliefs and competencies with the ongoing social dynamics at work.

The experienced work climate triggers and reinforces specific behavioural responses, strategies and tactics (eg cooperative teamwork where the experienced climate is supportive and positive and active politicking in a negative, alienating work climate).

These behaviours feed back into the work climate, and on to associated organisational performance outcomes.

Specific elements of the socio-emotional context:

The Individual

The *individual* is represented as bringing a unique combination of feelings, beliefs, attributes and competencies to the work environment.

1. Emotions/ feelings

Emotions or *feelings* involve the individual's reaction to a work situation.

Some feelings have positive connotations, eg happiness, elation, enthusiasm, motivation, interest, satisfaction.

Others tend to be regarded more negatively, eg anger, aggression, resentment, antagonism, frustration, irritation, disillusionment, disappointment, disgust, hurt, hatred, panic, fear, anxiety, worry, depression, sadness, boredom, doubt, isolation, loneliness, humiliation, demoralisation, powerlessness.

Each individual's emotional response triggers its own emotional reaction from work colleagues.

2. *Values/ beliefs*

Values or *beliefs* comprise:

- a set of broad values or principles that guide one's behaviour and interactions with others; and
- a set of more specific beliefs about the organisation that govern attitudes and behaviour patterns at work.
-

Broad values or principles that guide personal behaviour and interactions

Examples of broad personal values with positive connotations are:

- A commitment to ***ethical principles*** such as fairness, justice, morality, integrity, honesty, confidentiality.
- A sense of ***self-efficacy*** and ***optimism***, ie a belief in one's personal ability to gain mastery over life events; a conviction that, through individual effort and commitment, success will be achieved in the longer term, that things will turn out positively in the end despite setbacks along the way.
- An orientation towards ***altruism***—a primary concern with seeking the welfare of others rather than personal self-interest.

Machiavellianism exemplifies a value orientation with strong negative overtones—where unscrupulous acts, deceit and manipulation of others are accepted as expedient and acceptable *means* towards the *end* of gaining or maintaining power.

Specific beliefs about the organisation that govern attitudes and behaviour patterns at work

Through corporate communications, personal experience and interaction with work colleagues, each person comes to form a set of beliefs about the organisation.

These beliefs may reinforce corporate rhetoric about the company, or be at variance with it.

3. Personal attributes/ qualities

This area incorporates personality and other attributes that collectively encompass the range of individual differences between people in organisations.

Many such qualities are represented in the form of bipolar scales, eg extrovert–introvert; impulsive–self-disciplined; motivated–unmotivated; committed– uncommitted; resilient– lacking resilience; empathetic– indifferent.

3. Personal competencies

The emotional intelligence and communications literatures underscore the importance of the following personal competencies in particular, within the work context:

- ***Emotional adeptness***–being able to recognise, monitor and manage personal emotional states and to ensure appropriateness of emotional expression.

- ***Self-motivation***—being able to motivate oneself, to be enthusiastic about a task, to demonstrate persistence, and to delay gratification until a task has been accomplished.
- ***Relational/ social competence***—interpersonal skills; being able to relate well with others, to show empathy and rapport, to recognise and deal effectively with their emotions, to handle relationships effectively.
- ***Communication competence***—being able to demonstrate effective verbal and nonverbal communication skills, including listening skills.

Dynamic social interaction

Individuals at work are engaged in continuous dynamic social interaction.

These social processes involve ongoing dialogue, feedback, sharing of experiences, feelings, perceptions and interpretations, negotiation, and the shared creation of meaning and learning amongst the work group.

Individual characteristics assume significance only within the overall context of work group/ organisational interactions.

Experienced work climate

There is an extensive literature going back decades on factors that contribute, on the one hand, to a positive/ supportive work climate, and on the other to a negative/ alienating work climate.

In the communications, organisational behaviour and management literatures, these factors are often summarised in terms of the benefits of an ***open communication climate*** versus a ***defensive communication climate*** (eg Gibb 1980).

The importance of a sense of ***autonomy*** and ***personal/ team control*** over the work environment and tasks is often emphasised (eg Dunphy 1981; Hackman & Lawler 1971; Hackman et al. 1975; Hackman & Oldham 1980; McGregor 1960).

The organisational learning literature equates positive work climates with ***learning environments*** (eg Argyris 1999; Senge 1992; 1994; 1999).

The following table summarises from the literature the major features of a positive/ supportive work climate versus an alienating/ negative work climate. In terms of developing supportive contexts for knowledge management, these factors can be considered as ***facilitating forces*** and ***constraining forces*** respectively.

Table 1 Features of the experienced work climate

Features of a supportive/ positive work climate (ie Facilitating forces for KM)	Features of an alienating/ negative work climate (ie Constraining forces for KM)
The work environment:	The work environment:
<ul style="list-style-type: none"> Is characterised by high levels of trust between management and staff and amongst staff, and a widespread sense of optimism and challenge. 	<ul style="list-style-type: none"> Is characterised by low levels of trust between management and staff and amongst staff, a pervasive cynicism and a climate of fear.
<ul style="list-style-type: none"> Is accepting, non-judgmental. 	<ul style="list-style-type: none"> Is threatening, judgmental.
<ul style="list-style-type: none"> Manifests a mutual/ shared problem solving orientation. 	<ul style="list-style-type: none"> Is controlling.
<ul style="list-style-type: none"> Is characterised by spontaneity. 	<ul style="list-style-type: none"> Involves coercion.
<ul style="list-style-type: none"> Values honesty and authenticity. 	<ul style="list-style-type: none"> Is characterised by deception, concealed motivations and hidden agenda.
<ul style="list-style-type: none"> Values and demonstrates empathy, warmth and respect in interpersonal interactions. 	<ul style="list-style-type: none"> Manifests a sense of cold detachment and lack of concern for others.
<ul style="list-style-type: none"> Reinforces feelings of equality amongst staff. 	<ul style="list-style-type: none"> Reinforces a sense of superiority of the few, and discriminates against certain individuals or groups.
<ul style="list-style-type: none"> Is characterised by a democratic and participatory management style. 	<ul style="list-style-type: none"> Is characterised by an authoritarian management style.
<ul style="list-style-type: none"> Manifests cooperative behaviours, interdependence, effective teamwork, and open sharing of information and resources. 	<ul style="list-style-type: none"> Manifests highly competitive individualistic behaviours, and lack of sharing of information and resources.
<ul style="list-style-type: none"> Values diversity and shows tolerance for contrary of divergent views. 	<ul style="list-style-type: none"> Manifests dogmatism, an intolerance of contrary views.
<ul style="list-style-type: none"> Values and encourages experimentation and learning from mistakes. 	<ul style="list-style-type: none"> Discourages experimentation, and assigns blame for failure.
<ul style="list-style-type: none"> Engenders enthusiasm, motivation, commitment, and a sense of challenge to confront issues and solve problems and concerns. 	<ul style="list-style-type: none"> Is demotivating, engendering boredom; emphasises passive acceptance of the status quo.
<ul style="list-style-type: none"> Nurtures creativity and innovation; encourages considered risk-taking. 	<ul style="list-style-type: none"> Stifles creativity and innovation; is risk-averse.
<ul style="list-style-type: none"> Provides ongoing feedback and constructive criticism, and appropriate rewards, encouraging enhanced performance. 	<ul style="list-style-type: none"> Provides irregular and overwhelmingly negative feedback and allocates blame for performance problems.
<ul style="list-style-type: none"> Makes staff feel respected and valued. 	<ul style="list-style-type: none"> Demonstrates a lack of respect for staff, making them feel humiliated, demoralised, under-valued, even worthless.
<ul style="list-style-type: none"> Engenders feelings of excitement, contentment, joy, being empowered. 	<ul style="list-style-type: none"> Engenders feelings of fear, anxiety, frustration, resentment and powerlessness.
<ul style="list-style-type: none"> Facilitates the surfacing of conflict and the constructive resolution of conflict situations. 	<ul style="list-style-type: none"> Is fraught by the simmering tensions of unresolved conflicts.
<ul style="list-style-type: none"> Can be described as a learning climate, where individual and team learning and growth are the norm. 	<ul style="list-style-type: none"> Constrains individual and group learning and stunts growth.

Adoption of specific behaviours, strategies, tactics

The experienced work climate sets in train self-reinforcing behaviour cycles, with stark differences between behaviour patterns engendered in supportive work climates and negative/ alienating work climates.

In *supportive work climates*, behaviours encouraged and reinforced are the positive behaviours identified in the communications, emotional intelligence and organisational learning literatures.

This includes, eg:

- Ethical conduct and practice
- Open communication
- Cooperative team building
- Willing sharing of information and resources
- Authentic/ emotionally honest patterns of behaving and relating to others
- Care and concern for others
- A focus on action and goal achievement
- Active experimentation and exploring creative solutions
- Assertive communication
- Constructive negotiation.

Knowledge management thrives in this type of environment.

In contrast, *negative work climates* engender active politicking, involving eg:

- Manipulative, deceitful, intimidating patterns of behaviour.
- Unethical practices.
- Individual effort focused on enhancing personal position and influence in a fiercely competitive environment, rather than on achieving work related performance goals.
- Personal aggrandisement means undermining and destroying the perceived competition, assigning blame and discrediting others whilst concealing one's own agenda and mistakes.
- In the resultant 'survival-of-the-fittest' battleground, sabotage, retaliation, aggressive, abusive and threatening behaviour patterns, intimidatory tactics, and deceptive practices are rife.
- To survive in this hostile climate, most staff engage in a variety of self-protective behaviours, eg
 - Ingratiation with those in positions of authority.
 - Not acting on or speaking up about needed work changes for fear of reprisal.
 - Shunning those who are prepared to make a stand against the prevalent malaise in fear of themselves being targeted.
- A condition of emotional withdrawal frequently follows where this climate is allowed to persist.

- Trust vanishes and fear reigns supreme in such an environment.
- This is the very antithesis of the environment needed for effective knowledge management.

Organisational outcomes

Following on from the preceding analysis, the table below summarises likely outcomes in organisations that manifest supportive/ positive work climates versus alienating/ negative work climates.

Table 2 Likely organisational outcomes

Likely outcomes in organisations that manifest supportive/ positive work climates	Likely organisational outcomes in alienating/ negative work climates
High morale	Low morale
High levels of job satisfaction	Low levels of job satisfaction
High commitment, high performing organisation	Low commitment, poorly performing organisation, with high levels of job turnover, absenteeism, employee grievances and industrial action, and serious project and budget overruns
Has high levels of creativity, enterprise, and product and service innovation	Focus on status quo, with a noticeable absence of creative enterprise, and few product or service innovations
Strong external client/ market focus	High demands involved in controlling and managing internal dissension means that the organisational focus is primarily internally rather than externally oriented
Has a public reputation/ corporate image as an ethical and socially responsible organisation, and low levels of client complaints	Is plagued by internal crises, client complaints, law suits and public scandals, largely attributable to questionable/ unethical conduct and work practices
Maximises value of human resources	Enormous waste of human resources
Reported to be 'a great place to work'	Reported to be 'a dreadful place to work'

Value derived from emotional capital

Based on the preceding analysis of ‘ideal type’ organisations represented as manifesting supportive/ positive work climates, and alienating/ negative work climates respectively, there are predictable outcomes in terms of value derived from emotional capital. Some of these are identified in the following table.

Table 3 Value derived from emotional capital

Value derived from emotional capital in organisations that manifest supportive/ positive work climates	Value derived from emotional capital in organisations that manifest alienating/ negative work climates
High performance and high profits	Low performance and poor ‘bottom line’ results
Value from high levels of product and service innovation	Declining value with the current mature product/ service range and few product/ service innovations to compensate for the falling profits
Value derived from quality enhancements and effective quality management practices	High costs of rectifying poor quality products/ services
Value from corporate reputation and image as a successful and ethical company	Costs of plummeting corporate reputation due to the company’s perceived poor performance and exploitative and unethical practices
Value derived from business growth attributable to organisational learning	Costs of declining business with low levels of organisational learning

Congruence or dissonance between the organisational rhetoric and the individual or small work group perceptions of the organisation

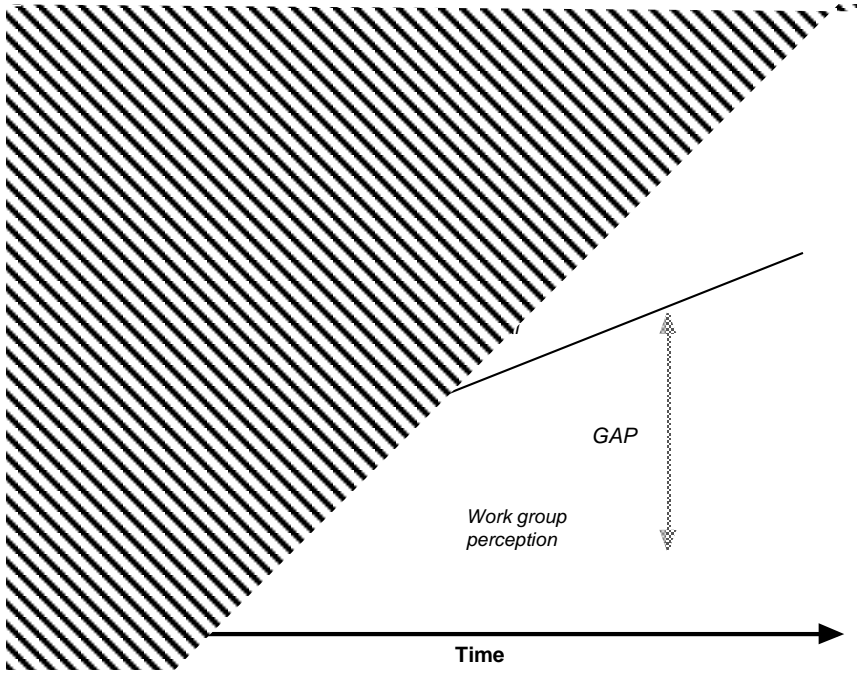
Dynamic interaction of the corporate and individual/ small group perspectives

Postulate that the perceived congruence or dissonance between the individual's and/or small work group's lived experience of the organisation and the organisational rhetoric emanating from higher levels of the organisation will have performance impacts on the organisation.

That this in turn impacts strongly on organisational learning and performance outcomes.

eg Where the corporate rhetoric asserts that 'Our people are our most important asset' but drastic downsizing, limited promotion prospects and limited training make staff feel insecure and undervalued, there will be a state of dissonance at the individual and work group level.

It is likely that this situation will engender cynicism, distrust, low morale and lower staff commitment and performance levels.



In conclusion—Assessing whether the organisational context is conducive to effective knowledge management

The conceptual framework presented here is ‘research in progress’, derived from a review of published literature.

Yet to develop research instruments based on this analysis to be applied in specific organisational contexts.

The framework described here presents organisations in terms of an ‘ideal type’ dichotomy—those manifesting supportive work climates or alienating work climates.

Of course no actual organisation will perfectly match either ideal type—there is a wide spectrum between the negative and positive end-points in any such scale.

However, the broad trends identified are firmly based in the multi-disciplinary literatures reviewed.

All organisations can benefit by striving to emulate the supportive work context, to maximise the facilitating factors and to minimise the constraining factors for effective knowledge management.