

## Chapter 6

# Impact of Adhocracy Organizational Culture on Effective Knowledge Management

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### ABSTRACT

*All companies in today's world are in intense competition. In order to survive the competition and always be one step ahead, all industries are required to give considerable importance to creating adhocracy culture within the firm, according to which employees must be provided with freedom and support. The employees should be encouraged to share their ideas and point of views with others and to take risks because today's most valuable asset is knowledge. This can ultimately help in enhancing creativity and innovation within the firm. The use of supportive culture is helpful for ensuring effective knowledge management practices within the firm. The focus of this research study was on investigating the importance of adhocracy organizational culture in terms of ensuring effective knowledge management. Based on findings of this study, it was found that there is a significant positive impact of adhocracy organizational culture on effective knowledge management.*

### INTRODUCTION

Based on a knowledge-based view, organizations are involved in creating, transferring and protecting knowledge effectively as compared to markets, which must justify their boundaries and existence. Strategic view requires organizations to differentiate their performance due to the heterogeneity of knowledge bases. Hence, knowledge is a key strategic resource of companies (Ayatollahi & Zeraatkar, 2020). Some knowledge is scarce and such assets and complex knowledge that cannot be imitated or replicated by other firms are not easier to transfer. So, it is essential to effectively manage these organizational

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processes, enabling certain types of knowledge to become the source of competitive edge for the firm (Kokt & Makumbe, 2020). One of the most important elements that influence a firm's capacity for managing knowledge is organizational culture. The organizational culture is an idiosyncratic asset that accumulates with the passage of time and can serve as a source of competitive edge. It is a significant factor of success in the process of knowledge management and plays a key role in the establishment of the strategic framework of an organization (Ashok et al., 2021). Besides, organizational culture also has an impact on some other elements of the firm, like human resource management and management style. The promotion of organizational culture can help facilitate the implementation of knowledge management, making a significant contribution to establishing a shared vision and commitment to the firm, with respect to common projects, autonomy in decision-making, and teamwork (Oh & Han, 2020). When the culture of an organization is built up amongst other elements, like the values, work systems, and beliefs of the firm, it can then either encourage or hinder the effectiveness of knowledge management practices relevant to developing, transferring, or implementing knowledge. Therefore, change encouraged through knowledge management gets influenced through the existence of cultural norms, which can make a significant contribution to the process of change management (Frinses et al., 2021).

In the current competitive and dynamic business world, knowledge has become a significant asset in almost all types of organizations. Effective knowledge management gives the capacity for engineering the formal and informal structures, key business functions, and processes of an organization. Effective knowledge management is considered to be highly important for formalizing and leveraging intellectual assets (Piwowar-Sulej, 2021). There is an increasing demand for effective implementation of knowledge management systems, with a purpose of transcending boundaries to disseminate significant knowledge throughout projects, firms, and teams. However, to ensure the effectiveness and success of knowledge management, there is a need to integrate human elements and the right culture (Ayatollahi & Zeraatkar, 2020). Due to the rapid change in competitive environments and increased intensity, it has become crucial to focus on appropriate knowledge management in the construction industry. The construction industry of Turkey is labor-intensive and depends highly on experience and practice. So, there is an inclusion of a lot of knowledge within the construction industry. Moreover, a vast pool of knowledge has been created due to the dynamic business environment and the use of latest technologies. Hence, effective knowledge management is highly important for exchanging and reusing knowledge in both the short and long term (Nguyen, 2019). In the construction industry, each project carries a lot of knowledge, which needs to be captured properly for appropriate use in the next project. This often includes key skills, technical abilities, and competencies gained while completing a previous project. It is important to capture such skills, technical abilities, and competencies to properly make use of them in the next project. In construction projects, different teams work for different projects and each member carries different types of skills. Also, the turnover rate is high, because most people work based on projects. Due to such high turnover rates, construction firms lose expertise and skills and this ultimately affects their upcoming projects. Hence, effective knowledge management plays a key role in ensuring the success of construction projects so that knowledge can be properly created, stored, and retrieved (Frinses et al., 2021).

The construction industry is basically a project-based industry. Individuals from various departments or organizations gather in the form of a team to complete a project. Knowledge is basically created during a team project; however, in the absence of an effective organizational culture, this knowledge can be lost. It is not possible to reuse knowledge when there is no appropriate channel or culture for transferring it. Effective knowledge management is highly important for ensuring long-term success of an organization. When the managers in construction companies do not give importance to effective

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