Chapter 6 A Unified Framework of Organizational Perspectives and Knowledge Management and Their Impact on Job Performance

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ABSTRACT

This chapter introduces the framework and causal model of organizational culture, organizational climate, knowledge management, and job performance related to business process orientation. It argues that dimensions of organizational culture, organizational climate, and knowledge management have mediated positive effect on job performance. Knowledge management positively mediates the relationships between organizational culture and job performance and between organizational climate and job performance. Organizational culture is positively related to organizational climate. Furthermore, the author hopes that understanding the theoretical constructs of organizational culture, organizational climate, knowledge management, and job performance through the use of the framework and causal model will not only inform researchers of a better design for studying organizational culture, organizational climate, knowledge management, and job performance, but also assist in the understanding of intricate relationships between different factors.

INTRODUCTION

Globalization has resulted in the use of knowledge as competitive weapon in modern organizations (Chu, Kumar, Kumar, & Khosla, 2014). Organizational culture is a strategic resource that influences a range of activities within firms, and empirical evidence from management and marketing demonstrates that it impacts performance (Wei, Samiee, & Lee, 2014). Organizational culture is found to contribute to

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knowledge sharing and learning within project-based organizations, playing an important role in establishing organizational context and foundation for social interaction (Wiewiora, Murphy, Trigunarsyah, & Brown, 2014). A strong organizational culture that aligns members' behavior with organizational objectives boosts financial performance (Chatman, Caldwell, O'Reilly, & Doerr, 2014). Organizational climate is associated with a variety of positive outcomes (e.g., increased organizational success, lower employee turnover, higher job satisfaction, and enhanced overall firm performance) (Koles & Kondath, 2015). Organizational climate is linked to employee commitment toward gaining improved job performance (Neelam, Bhattacharya, Sinha, & Tanksale, 2015).

With the advances in information technology and its increasing impact on humans and society, there has been an expanding need to spread knowledge from domain to domain (Hvannberg, 2015). The success of knowledge processes often relates to organizational cultural characteristics (Mueller, 2015). Effective knowledge management leads to organizational success (Kim, 2014) and organizational performance (Cho & Korte, 2014). The reuse of knowledge and information arising from the different phases of a product's lifecycle is crucial for a company in order to achieve competitive advantage (Ahmed-Kristensen & Vianello, 2015). To leverage their knowledge resources, many organizations deploy knowledge management systems, which contain at their core a knowledge repository (Ravindran & Iyer, 2014).

The integration of business process management and knowledge management helps companies to improve temporal, qualitative and cost aspects of the provision of goods and services and to increase their innovative capacities (Schmid & Kern, 2014). Practices of knowledge sharing relate to communication, observation, artifacts, and human resource practices (Mueller, 2015). Communication plays an important role in these practices, as individuals share a considerable amount of knowledge in conversations and in written communication, such as documents, guidelines, and handbooks (Renzl, 2007). Research objectives are to unify a framework and a causal model of organizational culture, organizational climate, knowledge management, and job performance related to business process orientation of software manufacturing plant employees in Thailand.

BACKGROUND

Organizational effectiveness (e.g., job performance and productivity) depends on business processes designed from a stakeholder perspective (Siemieniuch & Sinclair, 2002). Consequently, improvement of the process design is the key to improve business performance (Hammer, 2007a). Business process orientation is defined as a process oriented thinking and management of organization emphasizing process outputs and customer satisfaction (Hinterhuber, 1995; McCormack, 2007). The concept of business process orientation involves seven components (i.e., design and documentation of business processes, management commitment toward process orientation, process ownership, process performance measurement, corporate culture in line with the process approach, application of continuous process improvement methodologies, and process-oriented organizational structure) (Kohlbacher & Gruenwald, 2011). Business process orientation introduces transparency in the organization (Kohlbacher, 2009). Furthermore, the more business process oriented an organization is, the better it performs both from an overall perspective as well as from the perspective of the employees (McCormack, Johnson, & Walker, 2003).

Likewise, there is a strong relationship between business process orientation and organizational performance (McCormack & Johnson, 2001). The effects of business process orientation on organizational performance are the speed improvements, increasing of customer satisfaction, improvement of quality, 30 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage: <u>www.igi-global.com/chapter/a-unified-framework-of-organizational-</u> <u>perspectives-and-knowledge-management-and-their-impact-on-job-</u> <u>performance/177569</u>

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