The Role of Organizational Culture in Knowledge Management in Small Companies

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Abstract

Organizational culture is an important factor influencing knowledge management processes in small companies. Small entities usually have limited resources, both human and financial, to be able to develop advanced knowledge management systems. However, little research has been done so far to investigate the characteristics of organizational culture in small companies, in terms of knowledge management processes. Therefore, the aim of this research is the examination of organizational culture in small Polish companies with the application of a symbolic-interpretive perspective.

Keywords: *organizational culture; small companies; knowledge management.*

INTRODUCTION

Small companies manage knowledge in a different manner than larger entities (Desouza & Awazu, 2006). They are more constrained by resources such as human, financial and time- related, which influence the scope and quality of knowledge management processes. Small companies cannot afford to spend money on human interactions analysis or expensive information systems (McAdam & Reid, 2001). They are more vulnerable to knowledge losses caused by employee rotation (Desouza & Awazu, 2006). In addition, employees from small companies usually have little time to devote to knowledge codification due to multiple responsibilities (Desouza & Awazu, 2006).

Predominantly, small companies manage knowledge without specific procedures. Previous research indicates that, for small companies, organizational culture is one of the most influential factors in terms of knowledge management efficiency (Nunes, Annansingh, Eaglestone &

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Wakefield, 2006). In general, organizational culture affects not only sharing knowledge, methods of searching for it, types of desired knowledge, and types of interactions between employees (De Long & Fahey, 2000; Probst, Raub & Romhardt, 2000), but also influences the choice of technology, evolution of knowledge management, migration of knowledge within an organization, role of leaders and effectiveness of knowledge management (Alavi, Kayworth & Leidner, 2005).

Despite the vague importance of organizational culture in terms of knowledge management (KM) for small companies, little research has been done to investigate its specific characteristics (Suppiah & Sandhu, 2017). Most of the research that investigated the relationship between organizational culture and knowledge management was conducted in large companies (Gold, Malhotra & Segars, 2001; Kulkarni, Ravindran & Freeze, 2006; Yeh, Lai & Ho, 2006). Therefore, the main goal of this research is to outline the characteristics of organizational culture in small companies. Additionally, I decided to further investigate the powers influencing particular organizational culture development by gathering perspectives of organizational members. In the literature, there is an ongoing debate about the extent to which organizational culture can be shaped or constrained by factors such as national culture (Hofstede, 1980; House, Hanges, Javidan, Dorfman & Gupta, 2004) or management (Ouchi, 1980; Peters & Waterman, 1982). From the perspective of small companies, this question is vaguely important as those powers may limit the possibility to a build company's advantage in terms of knowledge management effectiveness (Gerhart, 2009).

The qualitative research was conducted in five rapidly developing small companies from the IT sector in Poland. The choice of companies was purposeful. Firstly, I wanted to examine companies that are perceived by the specialists in their field as successful in terms of knowledge management efficiency. Secondly, according to Glinska-Newes (2007), Polish culture may hamper effective knowledge management, so I wanted to examine the impact of various powers on organizational cultures in these five companies.

The article is constructed as follows. In the literature review part, I have outlined the characteristics of knowledge management in small companies, which indicate the importance of organizational culture as a factor influencing knowledge management. Secondly, I have presented theories about organizational culture and powers that may shape it through a different paradigmatic perspective. Finally, on the basis of previous research on organizational culture enhancing knowledge management, I have described values that are important for knowledge management processes. In the methodological part, I have presented the symbolic-interpretive perspective on organizational culture as the basis of my research approach, which

influenced the decision of research strategy and tools applied in the research. In the results part, I have described the nature of knowledge management in the small companies I examined in order to explain the important role of organizational culture for knowledge management processes. Further, I have presented cultural values and the perspective of organizational members on the emergence and maintenance of organizational culture. In the discussion part, several important findings are presented. Firstly, the key cultural values that were present in the five investigated small companies are outlined, such as: team collaboration, open communication, trust, experimentation, autonomy. Secondly, I have revealed that founders and industry play an important role in shaping organizational culture, whereas the impact of national culture is less visible than indicated in Hofstede's (1980) research.

LITERATURE REVIEW

Knowledge management in small companies

In KM literature, most research has focused on large companies, with only 16% focused on small entities (Prystupa-Rządca, 2014). The investigation of Wong (2005) revealed that there are significant differences between small and large companies in terms of factors shaping knowledge management processes. Key differences between the two types of entities are:

- little importance of organizational infrastructure and motivational aids for small companies;
- little importance of training and education and HRM targeted at knowledge management practices in small companies;
- less importance of information systems from small companies;
- high importance of organizational culture for small companies.

Lack of investment in IT system does not mean that knowledge is not important for small companies. On the contrary, often it is the determinant of their success as they are able to use it more effectively (Desouza & Awazu, 2006; Hutchinson & Quintas, 2008). Those companies which treat knowledge as a strategic resource, develop and apply it more efficiently (Salojarvi, Furu & Sveiby, 2005).

According to Hutchinson & Quintas (2008), small companies manage knowledge in an informal manner. They focus more on the human factor than on the development of robust data bases (Desouza & Awazu, 2006). By putting more emphasis on knowledge sharing and application than storage, they can easily become knowledge intensive. Similar conclusions were delivered by Merono-Cerdan, Lopez-Nicolas and Sabater-Sanchez (2007) who found that small companies which mostly apply a personalization

strategy, focus on practices to help people communicate (Hansen, Nohira & Tierney, 1999). However, to succeed with this strategy, the company needs to develop a specific organizational culture that supports communication and the development of a common context (Haesli & Boxall, 2005).

However, some small companies do not introduce practices targeted at knowledge management (Hutchinson & Quintas, 2008). The research on KM practices in small Polish companies revealed that they are implemented to little extent by entrepreneurs (Perechuda & Stosik, 2003). Knowledge diffusion was evaluated as chaotic and centralized in the hands of the founder. Additionally, the researchers found that entrepreneurs were mostly making decisions by following their intuition, and that knowledge which was accessible in the organization was not exploited.

Organizational culture

Organizational culture can be defined as "the process of construction and interpretation of an organization's social reality in the symbolic and linguistic activities of an individual in a group" (Sułkowski, 2008: 12). It can be observed at multiple levels in an organization, being reflected in values, norms and practices. Organizational culture enables individuals to understand how an organization functions and shapes their behavior (Schwartz & Davis, 1981). Both academics and practitioners argue that organizational performance is dependent on the type of cherished values and the degree to which they are shared among employees (Ouchi, 1981; Peters & Waterman, 1982). Thus, organizational culture may serve as a competitive advantage due to its "uniqueness quality" (Ogbonna & Harris, 2000).

According to Phillips, Goodman and Sackmann (1992), each organization is composed of external elements of culture of: nation, region, industry and profession; and internal: employees. Employees are influenced by various institutions present in their culture before they start to participate in the organization, such as family, society, nation, education and experience, which shape their attitude, behavior, and identity (Hatch, 1997). In the literature, there is an ongoing debate about the extent to which these elements can influence organizational culture. The most commonly discussed are national culture and managerial influence.

In regard to the former, researchers indicate that there is a strong relationship between national culture and organizational culture (Hofstede, 1980; House et al., 2004). As indicated by House et al. (2004), 'companies mirror societies from which they originate' when it comes to culture. What is more, national culture is a constraint variation in organizational culture (Johns, 2006). Therefore, managers need to develop an understanding

of local cultures by learning them, or employing those who have that understanding, in order to adapt management practices (Warrick, 2017). In line with this perspective, various comparative studies have been developed such as Hosftede's index (Hofstede, 1980), GLOBE study (House et al., 2004) or Nelson and Gopalan's (2003) research . However, other groups of researchers have found evidence suggesting that national culture may not completely determine the constraints for organizational culture (Gerhart, 2009). In the re-analysis of Hosftede's data, Gerhart and Fang (2005) show that country variances explain to a little extent the variance at individual level cultural values, which suggests that mean differences between countries are relatively small in comparison to variances within countries. Similarly, Tsui, Wang, and Xin (2006) in their research conducted in China, show a high within-country variation in organizational culture, suggesting the importance of managerial power.

According to Schein (1983), founders play an important role at the inception of an organization as they bring many cultural assumptions with them. They "have a cultural "paradigm" in their heads, based on their own prior experience in the culture in which they grew up" (Schein, 1993, p. 3). Leaders influence culture through their strategies, practices, values, leadership style, and example (Steers & Shim, 2013). The way they behave and in what they believe sets the example for others to follow (Gehman, Treviño & Garud, 2013)

With regard to managerial influence over organizational culture, researchers have discussed whether organizational culture can be managed. Ouchi (1980) and Peters and Waterman (1982) argue that organizational culture can be perceived as a new management tool to influence and supervise employees. In line with this perspective, managers can manipulate organizational norms and values to guarantee the emergence of desired behaviors and other factors influencing performance. The founders of an organization are perceived as creators and managers of organizational culture, as it is developed from their personal believes (Bass & Avolio, 1993). However, the contradicting point of view indicates that norms and values are deeply embedded in basic assumptions and thus their management is limited (Hatch, 1997). From a symbolic-interpretative perspective, it is perceived that managers/founders can act as organizational symbols which represent particular values (Pfeffer, 1981). However, their scope of influence is dependent upon the interpretations delivered by participants in the organization. Managers are part of an organizational culture which means that they may be under its influence when they try to manage it.

Organizational culture and knowledge management

According to De Long and Fahey (2000), there is a strong link between organizational culture and knowledge management. Cultural context is necessary to adequately analyze and apply knowledge. According to De Long and Fahey (2000) and Wei and Miraglia (2017) organizational culture influences behaviors central to knowledge management, i.e.:

- culture shapes assumptions about what knowledge is and, hence, which knowledge is worth managing;
- culture mediates relationships between individual and organizational knowledge;
- culture creates the context for social interaction that ultimately determines how effective an organization can be at creating, sharing, and applying knowledge and to what extent it manages the processes.

Culture shapes the processes by which new organizational knowledge - with its accompanying uncertainties - is created, legitimated, and distributed. Suppiah and Sandhu (2017) presented interesting findings in regard to the influence of organizational culture on tacit knowledge sharing. They applied Cameron and Quinn's (2006) Competing Values Framework (CVF) to analyze which type of culture enhances knowledge processes in an organization. The results of the study revealed that only clan culture, which is characterized by a teamwork approach and high employee commitment to the organization and vice versa, had a positive impact on tacit knowledge sharing. The most negative impact was hierarchy culture, which nurtured the use of standard operating procedures and best practices, and had multiple layers of vertical (position) and horizontal (work units) silos operating relatively in isolation (Suppiah & Sandhu, 2017). The other type of culture which hampered knowledge sharing was a market culture where competitiveness and productivity were the core values. Those findings are consistent with previous research on values that contribute to knowledge management.

Organizational culture regulates two important areas from the perspective of knowledge management: readiness to collaborate and trust between employees. Knowledge sharing requires human interaction, an exchange of ideas and openness (Alavi et al., 2005; De Long & Fahey, 2000; Wong, 2005). It can be difficult in organizations where knowledge is perceived as the source of power, prestige or possible career development (Wiewiora et al., 2013). Therefore, management should promote such values as: a focus on the establishment of collaborative goals and open communication (Cabrera & Cabrera, 2005). Often, it requires the redefinition of such paradigms as employer-employee relations in antagonistic categories and the development of values such as dialogue, partnership and cooperation (Morawski, 2005).

Trust influences the scope of sharing knowledge between individuals (Argote, McEvily & Reagans, 2003; Cabrera & Cabrera, 2005; De Long & Fahey, 2000; Gold, Malhotra & Segars, 2001b; Wong, 2005; Yeh, Lai & Ho, 2006). It decreases concerns about usurpation or wrong application of knowledge (Argote et al., 2003b).

The organizational culture oriented towards effective knowledge management encourages employees to question established practices and search for new possibilities. The development of conditions of freedom of opinion and acceptance for mistakes supports such attitudes (Davenport & Prusak, 1998; Wong, 2005).

Another important dimension is ensuring the autonomy of the employees as this increases motivation and engagement (Lemon & Sahota, 2004; Nonaka, Toyama & Konno, 2000). Employees define the limits of their duties and responsibilities in pursuit of goals set by the organization (Cabrera & Cabrera, 2002). Autonomy deals as well with such areas as the choice of methods for task accomplishment, process monitoring, encouragement to learn, freedom to experiment, and risk taking (Janz & Prasamphanich, 2003) and this can be achieved through the introduction of independent multifunctional teams (Teece, 2000).

RESEARCH METHODS

I decided to follow the symbolic-interpretive paradigm which is based on the epistemological conviction of subjectivity of observed reality and its constructivist and conventional character (Kostera, 2003; Sułkowski, 2009). According to this perspective, the main goal of the researcher is the description and understanding of social reality from the point of view of the participating actors (Konecki, 2000). The application of this approach for the research seems adequate, as its main goal was the development of the characteristics of the organizational culture in small companies, with respect to knowledge management practices. Additionally, in the field of management science, the symbolic-interpretive paradigm is widely applied for the development of theories on organizational culture (Sułkowski, 2013). According to the symbolic-interpretive paradigm, there is no universal model of organizational culture and it is impossible to present a holistic picture of it (Sułkowski, 2008). Organizational members are the creators of culture, as they define its elements by themselves. The role of the investigator is to collect recalls of the participants and develop an interpretation, presenting an image of the organizational culture. Such an approach has been taken in this study.

I developed two main research questions to investigate organizational culture in small companies from the perspective of knowledge management practices:

- What are the characteristics of organizational culture that help small companies with knowledge sharing so as to enhance decision making processes?
- What kinds of actors play a role in the emergence of an organizational culture in small companies?
- The choice of research unit was not random, but deliberate. Poland is an interesting field of research in terms of national culture and its impact on knowledge management. The research conducted by Glinska-Newes (2007) revealed that Polish culture may hamper effective knowledge management causing such problems as:
- communication barriers which restrict freedom and openness inter alia the avoidance of communication of negative information or emotional barriers in the communication between employer and employees;
- high uncertainty avoidance may hinder the application of new knowledge;
- high power distance may preclude effective communication between employees and management.

Additionally, Polish society exhibits a low level of generalized trust which stems from the historic past of the country (Sztompka, 1998). A recent survey in Poland revealed that people have become more aware of the necessity to cooperate, however they were still resistant to take action. Trust is an important factor for knowledge management as it influences the scope and willingness for knowledge sharing (Argote et al., 2003; Cabrera & Cabrera, 2005; De Long & Fahey, 2000; Gold et al., 2001b; Wong, 2005; Yeh et al., 2006) and decreases anxiety about misappropriation, wrong application or authenticity of knowledge (Argote et al., 2003b).

I have conducted my research in 5 small companies from the IT sector which were indicated by experts from the startup environment as successful in terms of innovativeness and consumer-market fit (Table 1). The small companies investigated were diversified in terms of the number of employees, age, number of founders, as well as the nationality of employees. Those differentiators are important from the perspective of knowledge management practices. The differentiation in terms of nationality of employees was the interesting element to investigate from the perspective of the role of national culture in shaping the organizational culture.

I followed the qualitative approach based on grounded theory (Glaser & Strauss, 2009). As primary tools of investigation, interviews and participant observation were chosen. All interviews were transcribed and, along with

other research data, were coded and analyzed using the qualitative research software MAXQDA. I applied a structural coding technique which specifies the coding procedure on the basis of predefined research questions according to which the study was conducted (Saldana, 2013). In order to answer the first research question (what are the characteristics of organizational culture in small companies with reference to knowledge sharing so as to enhance decision making processes?) I analyzed the cultural artifacts and later on these were organized to refer to particular organizational values. As a result, five values were identified: team collaboration, open communication, willingness to experiment, autonomy and trust. In respect to the second research question (what kinds of actors play a role in the emergence of an organizational culture in small companies?) I searched for sources of particular artifacts/values indicated by the interlocutors.

Table 1. Characteristic of examined companies

	Company A	**Company B**	**Company C**	**Company D**	**Company E**
Industry	Game development	Game development	Game development	Software/ Hardware	Software
Foundation year	2012	2012	2007	2009	2005
No. of employees	6	20	30	11	42
No. of founders	2	4	4	2	1
Nationality of employees	Polish, British, Norwegian	Polish	Polish	Polish	Polish, American
Increase in number of employees (year to year)	0%	20%	13%	18%	48%
	Virtual team Multiple locations	One office	One office	One office	Virtual team two locations

To maintain the credibility of the results, the authors used the data triangulation method. The identities of the interviewees in the text are coded according to the agreement between the researchers and the organization under its study.

RESULTS

The research results section is divided into three main parts. The first part presents the nature of knowledge management and KM tools in the small companies which were investigated in the research. This background information is vital for the understanding of the role of organizational culture

in knowledge management. The second part outlines key values supported by the presentation of artifacts cherished in companies that contribute to knowledge sharing. The third part presents various actors that play a role in the development of organizational culture i.e. the founder and culture in the industry.

The nature of knowledge management in small companies

In the companies investigated, the founders stated that they did not apply any knowledge management strategy. In general, the concept of knowledge was very narrowly understood, focusing on specific customer knowledge or technical knowledge.

"It is hard to say that we manage knowledge to develop games. You just need to know the matter, to feel in which direction the trends are going" (M2, company B).

The interlocutors mostly indicated explicit knowledge (websites, documents, forums) rather than tacit knowledge i.e. know-how. Further investigation revealed that product development was a knowledge intensive process. For instance, in company C when the founder described the idea generation process, he often referred to such knowledge processes as: acquisition, sharing and application.

Although companies applied various ICT tools to store knowledge, they were less advanced – none of them applied integrated IT system. The tools gathered documents about project development. Only in company C were there stored procedures for project development as the founders tried to better organize the project development phase. In other entities, procedures were transmitted orally during onboarding or mentoring and were embedded in the organizational culture.

Table 2. Knowledge storage and sharing methods in investigated companies

	Company A	Company B	Company C	Company D	Company E
Knowledge storage	Online forum	Intranet website	Data cloud	Data cloud	Intranet encyclopedia Blog
Knowledge sharing	Online forum	Basecamp Emails	Online communicator Emails	Emails	Online communicator Emails

ICT tools were however heavily applied in the companies to enable efficient communication between employees. In the case of companies A and E, those means were especially important as the companies based their functioning on virtual teams. Therefore, employees had few chances to communicate in

person. Other companies applied online communication tools to easily reach a wider group of employees. Interlocutors from companies B, C, D underlined the high importance of the possibility to interact informally on an everyday basis at work.

Organizational culture

Team collaboration

All the companies investigated attributed a high value to the development of team identity. Greater importance was put on working together than on individual accomplishments, which was especially visible during team meetings. In company B, at the initial stage of new product development, all employees were invited to participate in the idea generation session, where everyone could present his/her project. After each presentation, the team discussed the idea's potential and added its own suggestions. In this way, several projects were moved to the stage of prototyping in smaller teams. A similar situation was found in companies A and C, where all employees were invited to comment on the progress of game development after each milestone implementation. In company C, managers recalled the story about one organizational dilemma that the company endured for a month. Finally, thanks to the work of the whole team, they came up with the idea of how to solve it. In company E, the management organized a video conference every two weeks – a joint meeting of their two offices: Warsaw and San Francisco. All employees gathered next to one table (at each location) and the aim of it was to discuss current issues and progress, share achievements and doubts.

> *"We don't want people to feel that there is one decision-making center, here or there, or that here is the main office and there only the peripheries. We care to develop a feeling that it is one team. We care as well not to have divisions between tech vs non tech." (COO, E company)*

Additionally, in company E, the development team had a brainstorming meeting every Wednesday. This was a special meeting during which one of team members shared his knowledge in the area of his specialty.

In company D, the common team identity was especially visible when the company underwent a financial crisis. The company, despite the acquisition of new investor, needed to survive for 4 months without any financial resources. Additionally, employees needed to work harder to be able to finish the product for the Startup Competition.

Open communication

All companies believed that open communication was necessary to develop innovative products. It was especially evident in the practice of feedback delivery. In company A, the employees, together with the founders, discussed recent project progress. They often gave suggestions for improvement, even towards the work done by the owner. They admitted that sometimes being critical led to arguments. However, they stated that it was profitable for the final product outcome. In company B, the employees often shared their work with their peers in order to gather feedback. Those who advised did not expect special privileges in return. This was an unofficial norm which was set up by employees without the interference of the management. In company E, open and straightforward communication was part of the organizational values chart, in which it was written:

> *"It may not be easy to criticize openly and it may be unpleasant to communicate strong feelings, but as long as you are respectful, it helps others to understand you and it defuses many tensions. We are adults and we understand that sometimes people feel angry or disagree. Also, if you admire or enjoy somebody's work or idea, don't keep it just to yourself, show the appreciation to your mates! It helps to keep everybody's spirits high!"*

Trust

Both employees and owners showed trust towards each other in their behavior. For instance, none of the companies introduced any formal prohibition of work for competition or disclosure agreements. In all companies, the owners seemed surprised when I asked them about their fear that the employees could reveal confidential information to a competitor or when I asked about the need to confirm information delivered by an employee. In company E, the management stressed that each employee was given the credit of trust. They perceived trust as the important facilitator of effective collaboration.

In company D, the co-founder admitted that at the beginning of the company functioning, he made a mistake. He did not inform the employees about his financial problems which caused a breach of trust among team members. As a result, some of them left the company. After several years, he faced a similar situation - he knew that the company needed to work for four months without financing and he was not able to pay the salaries. He warned the employees about the situation and, in this way, he was able to maintain the whole team working on the project.

Experimentation

All the companies investigated developed products in accordance to methodologies based on experimentation. In companies A, B, C, they frequently presented parts of their product to verify it with customers' needs. For instance in company C, the team iterated the product every two weeks, delivering even small parts of the product to customers for tests. In company D, the owners tested various business models in order to find the most profitable solution. Being aware that innovativeness requires testing and different approaches, they had left some space for the programmers to experiment.

In company E, the employees in the development team, once every few months, had a so called hack week, i.e. the week during which they could develop their own ideas using the company's resources. This event proved to be very profitable for the company as many creative solutions were developed.

The apprehension of experimentation was associated with another value – learning from mistakes. In company E, it was visible in the organizational value called "It is OK to make a reasonable mistake". Employees were not punished for committing mistakes, but were encouraged to share their experience in a way to make it less likely for others to make a similar mistake.

The positive approach to learning through mistakes was strengthened by recalling the histories of the founders who, through hard work and learning, and through mistakes, achieved spectacular success. For instance, in company B, younger employees were able to describe in detail the history of founders' failures from a previous company.

Autonomy

In all these companies, the employees had relative autonomy. In companies B and C, employees worked in independent interdisciplinary teams. In company B, the employees received a precise list of tasks to accomplish, however they could decide about the ways to achieve their accomplishment. As was mentioned by one of the managers.

> *"You cannot kill someone's creativity and treat him as a robot. You need to give him some freedom. And everyone will add something from himself."*

In company E, the programmers needed to deliver solutions to given problems and were free to decide how to do it.

As the interlocutors stated – the autonomy could not be misled with a laissez-faire approach. In company D, at the stage of idea generation,

the founders admitted giving too much freedom to employees. They had not interfered with programmers' ideas on how to develop the software. As a result, they designed software which was very expensive to develop. Similarly, in company E, the COO described that the employees have the autonomy to decide when they want to work. However, at the same time, they were responsible for being in good health and maintaining a work-life balance. In cases when the founder observed that the employee had failed to comply with the value - 'take good care of yourself', he was reminded to do so.

Development and maintenance of organizational culture

During interviews with the employees, I uncovered that the founders were perceived as role models in terms of knowledge management practices. Founders were recognized for their reputation in the IT sector and past experiences that build their heroic stories of company establishment. As one of the employees recalled about his superiors:

> *"They are the veterans of the industry. They created this industry in Poland." (E3, company C)*

They served as the indicator of desired organizational norms and values. Founders played an important role in enhancing knowledge sharing by being engaged in various process of knowledge management. In companies B, D and E, the founders were engaged in mentoring new employees. In all companies, during team meetings, founders shared their knowledge and created room for others to participate in the discussion.

On the basis of acquired results from the interviews with employees, I conducted interviews with the founders to ask why they cherished particular values within the organization. In company D, the co-founder attributed high importance to his visits to Silicon Valley in the United States, where he faced a different business culture. Those trips induced change to his approach to running a business.

> *"Since my visit to the United States, I've stopped being ashamed of failure and started to expose it. (…) In order to do anything, we need to test it. (…) [In the United States] there is such an approach to help each other. Because Polish people, as I saw it, they don't want to share information with others."*

In company A, the founder was surprised with the question about organizational values. He perceived his team behavior as the natural way of

functioning in an online gaming community, of which he has been a member for many years. Later on he further explained:

> *"I was working in one of the biggest game development studios and I did not like the atmosphere. Constant surveillance, different levels of access permissions and constant suspicion towards employees."*

When he decided to open his own company, he introduced norms that he got acquainted with when he was a member of online community. His employees also belonged to the same community. They never experienced any cultural differences among themselves even though they belonged to other national cultures. The management team from company E had the opposite experience, where national cultural differences sometimes led to conflicts. For instance, once, the American team member publicly criticized the Polish employee through the communicator. The latter felt offended and resentful. The management intervened and managed the conflict but similar situations reoccur from time to time. The founder of company E consciously tried to shape the values of the organization. Having gained international experience in the IT sector, he knew which values secure a good atmosphere at work and high effectiveness. However, the implementation of particular values required effort and were not always successful.

The strong impact of the global industry characteristic to the organizational values cherished by the employees was also observed by the co-founder from company C.

> *"We don't wear suits; we don't have rigid working hours. (…) This is a group of guys who are grown-ups but are still big kids. They like to play games and they need a big imagination because this is a creative industry."*

In all the companies examined, except company E, the growth in terms of employee number was gradual or none in year-to-year comparison (see table 1). The appearance of a new organizational member required his socialization with other employees and transmission of organizational values. In companies B and C, mentoring was introduced. The new employee needed to work for a few months with a senior employee and learn how to manage tasks and collaborate with the rest of the team. The growth of company E was more dynamic and therefore the management had issues with maintaining cultural coherence among new employees.

> *"It takes 3-4 month for the employee to start understanding why we function in a particular manner and in what we really believe. This is troublesome sometimes." (COO, company E)*

In company E, the socialization process was initiated at the stage of recruitment, where interviewers were not only asking a candidate about his experience, but explaining the norms and values cherished in the company as well. The process was multistage and involved meetings with employees from different departments. As said by the Chief Operation Officer:

> *"It is not only our decision to employ someone, but it is his decision as well to collaborate with us".*

The new employee had a so called on boarding procedure – a meeting with the founder during which he learnt about the company's history, values and goals. Later, he/she was given a mentor.

DISCUSSION

In respect to knowledge management practices, the five small companies presented a level of KM implementation typical for an SME: low IT systems advancement (Wong, 2005), high informality of KM (Hutchinson & Quintas, 2008) and the prevalence of a personalization strategy (Merono-Cerdan et al., 2007). As indicated by Hansen et al. (1999), one of the most important tools for a personalization strategy is organizational culture. This is also the case for the companies examined, who can be characterized as a clan culture following Cameron and Quinn's (2006) typology. The values cherished by both management and employees supported knowledge management processes (Suppiah & Sandhu, 2017) which were visible in several ways. Firstly, they attributed a high value to team collaboration and open communication. Recognition of common goals (Cabrera & Cabrera, 2005), partnership and open dialogue (Morawski, 2005) enhance knowledge sharing among employees. Secondly, the value of trust has key importance to create grounds for easy knowledge exchange and application (Argote, McEvily & Reagans, 2003; Cabrera & Cabrera, 2005; De Long & Fahey, 2000). Both employees and founders tried to behave in a manner to create conditions for trust development and maintenance. In the case of a breach of trust (company D), employees lost motivation to contribute to the project. As a result, only a few stayed in the company. Thirdly, all companies valued highly experimentation and learning from mistakes. Employees were not afraid to acquire new

knowledge and try to apply it. As a result, they were able to create innovations from the mix of new knowledge (Davenport & Prusak, 1998; Wong, 2005). Lastly, founders provided autonomy to employees in terms of the fulfillment of given tasks. Thus, they could search for knowledge on their own and apply it differently. In turn, employees become more engaged and motivated to contribute (Lemon & Sahota, 2004; Nonaka et al., 2000).

In regard to the second research inquiry about the actors that play a role in the emergence of the organizational culture of small companies, the research brought as well an interesting insight. The founders' 'cultural paradigm' shaped the initial organizational values, which is consistent with Schein's (1983) research results. Both international and industry experience were vital for the development of particular values which were transmitted later on to the organization. The founders served as symbols for the employees representing particular values and behaviors. However, serving as an example in some instances did not bring the expected results. The founder tried to implement more explicit methods to organizational culture management which had a limited impact (case of company E). This is in line with the symbolic-interpretative perspective which states that founders/managers can act as symbols of particular values, however, the interpretation of their actions lies in the hands of interpreters (Hatch, 1997). The rapid growth of the company in terms of employee numbers was a threat to organizational culture coherence and sometimes led to conflicts between employees. This, in turn, influenced organizational performance. Such instances confirmed that not only the types of values are important but also the degree to which they are cherished by the employees. The founder of company E introduced various techniques to improve cultural coherence. Firstly, he searched for candidates who followed values similar to those present in the company and through recruitment he wanted them to become aware of the characteristics of organizational culture. Secondly, he was personally involved in the onboarding procedure where he recalled the key organizational values. Finally, he introduced mentoring to ensure that the employee received immediate feedback on his/her behavior. Thus, he enhanced the development of common context necessary to develop the common symbolic structure (Hatch, 1997).

The research results indicated as well that national culture played a less vital role in shaping cultural values in these small companies than expected from Hofstede's research (1980). Outlined values differed significantly from the profile of Polish national culture (Hofstede, 1980). Firstly, Polish society is perceived as hierarchical with a need to create the impression that 'everyone is important'. However, in these companies, the management tried to avoid unequal treatment of employees, which was visible for instance during team

meetings. Knowledge delivered even by junior team members was equally appreciated. This further encouraged knowledge sharing (Davenport & Prusak, 1998/2000). Secondly, in Poland, there is the high preference for avoiding uncertainty (Hofstede, 1980). However, in these companies, there was a visible acceptance for risk taking and learning from mistakes. The founders openly shared their failures with team members and with other stakeholders, showing that success was developed through managing many failures. Thirdly, Poland is considered to be a masculine society, which means that the society is driven by competition and achievement (Hofstede, 1980). Being competitive, one may perceive knowledge as a source of power and thus be unwilling to share it (Alavi & Leidner, 2001; Morawski, 2006; Nonaka et al., 2000; Probst et al., 2000). However, among the investigated companies, there was observed to be a rather cooperative than competitive behavior. The employees were willing to share information not expecting to receive special privileges which would indicate the development of communities within companies (Jemielniak, 2008).

Table 2. Hofstede's dimensions

Dimension	Characteristic	Score for Poland
Power Distance	The extent to which the less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally	68
Individualism -collectivism	The degree of interdependence a society maintains among its members	60
Masculinity-Feminity	The fundamental issue here is what motivates people, wanting to be the best (Masculine) or liking what you do (Feminine)	64
Uncertainty Avoidance	The extent to which the members of a culture feel threatened by ambiguous or unknown situations and have created beliefs and institutions that try to avoid these	93

Source: based on Hofstede (1980).

The divergence between the obtained results on organizational culture in small Polish companies and the Polish national culture profile supports Gerhart (2009) results which stated that the link between those two factors may not be so strong and "greater within-country variance in individual level cultural values will provide more room for the operation of managerial strategy and differentiation." (Gerhart, 2009, p. 255). Differences between national cultures were visible only in the case of company E where Polish and American employees had some misunderstandings in regard to communication patterns. The other company which employed multinational

staff did not experience any such situation. However, the founder indicated that they followed values and practices that they experienced while being part of the online gaming community. Therefore, the findings indicate another important power for organizational culture such as industry, being in line with Chatman and Jehn's (1994) research, who found that the industry had an impact on the variance in organizational culture.

CONCLUSION

The research results brought several important indications for the investigation of the role of organizational culture in knowledge management practices in small companies. Firstly, organizational culture played an important role for knowledge management as the investigated small companies followed a personalization strategy and did not invest in advanced IT systems. Cultural values present in these companies enhanced the knowledge management processes in various dimensions. Secondly, the research underlined the importance of the founder and the industry as actors that play a role in shaping organizational culture. However, it should be remembered that the control over the characteristics of organizational culture is limited and attempts to introduce conscious changes are time-consuming and may bring unexpected results. Further, results indicate that national culture does not need to be the constraint for organizational culture as the aforementioned actors may have a more vital importance. This is an important indication for founders and managers as it shows that they need to take an active role as the role-models in shaping organizational culture. The study also brings attention to the critical moment for cultural coherence such as organizational growth. Despite dealing widely appreciated by management it can constitute a threat to organizational performance if not well managed from the perspective of organizational culture.

The research results present a limitation stemming from the qualitative character of the research. A qualitative approach does not allow for a statistical generalization of the data. Therefore, further research should be conducted in order to be able to verify it on a larger sample of small companies. Future research should examine in more detail the role national culture has on different levels of organizational analysis, and give a more precise indication under what circumstances it is more or less important.

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Abstract (in Polish)

Kultura organizacyjna jest istotnym czynnikiem wpływającym na procesy zarządzania wiedzą w małych przedsiębiorstwach. Małe firmy mają ograniczony dostęp do zasobów ludzkich oraz finansowych by rozwijać zaawansowane systemy zarządzania wiedzą. Mimo wszystko część z nich sprawnie zarządza tym zasobem. Dotychczas niewiele badań poświęcono charakterystyce kultury organizacyjnej małych przedsiębiorstw z perspektywy zarządzania wiedzą. Zatem, celem przedstawionego w artykule badania jest zbadanie kultury organizacyjnej w polskich małych firmach przy wykorzystaniu perspektywy symboliczno-interpretatywnej.

Słowa kluczowe: *kultura organizacyjna; małe firmy; zarządzanie wiedzą.*

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