

ANALYZING THE RELATIONSHIP BETWEEN ORGANIZATIONAL CULTURE AND KNOWLEDGE-BASED MANAGEMENT

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Abstract

In today's complex and dynamic world, knowledge is the key factor in the rise or fall of societies, policies, and local governments. The classic administrative reforms are no longer suitable for the constantly changing times, in which knowledge has become one of the most valuable resources; henceforth, public institutions need to adapt to ongoing change. For this reason, it is necessary to foster an organizational culture that is more open to change, allows adaptability and diversity, and supports a more resilient approach to thinking and developing strategies.

This article analyzes the organizational culture perceived in 17 city halls in Romania, using Denison's model, to assess whether there is a correlation between their scores and their ability to manage challenges and have a strategic orientation with respect to knowledge transfer and adaptation to adversities or to the needs of their community.

This exploratory research aims to see if there is room for expanding this type of analysis and if it can represent a feasible tool to be used by local authorities in their process of administrative reform.

Keywords: Denison's model, organizational culture, knowledge-based management, administrative reform, Romania, local authorities.

1. Introduction

In an environment characterized by uncertainty, constant change, and internal and external pressures, it is crucial to develop an understanding of how organizations function, the synergies they create, and the impact of this interconnectivity on society as a whole. It is therefore crucial to undertake detailed studies of organizations, particularly public organizations, to gain a deeper understanding of their significant impact on communities and the decisions they make.

Therefore, the study of organizational culture, management, and administrative reform remains a pertinent and crucial area of inquiry, particularly for analyzing the pivotal role of public institutions in society. In light of the aforementioned argument, the present study aims to examine the organizational culture of 17 Romanian city halls, employing the model developed by Daniel Denison (Denison, undated (a)). This analysis will assess the capacity of these institutions to adopt a knowledge-based approach that facilitates efficient knowledge sharing between employees and external stakeholders, enhanced collaboration, and improved decision-making processes. These outcomes are expected to enhance these organizations' ability to adapt to evolving needs, pressures, and opportunities.

Therefore, it can be assumed that organizations that obtain higher scores based on their perceived organizational culture are more likely to develop a knowledge-based management approach due to their adaptability, external and internal focus, openness to learning, knowledge sharing, and common understanding of their institution's values and mission. To achieve this, it is first necessary to define the two main concepts examined in this research: organizational culture and knowledge-based management. Once these concepts have been defined, the correlation between them can be established, and Denison's model for analyzing organizational culture can be explained, with particular emphasis on its links with a knowledge-based management approach.

The concept of organizational culture is defined in the literature as a pattern that mediates, manipulates, and controls the behavior of individuals in organizations, while simultaneously contributing to the integration of new members through a set of observed behavioral regularities, espoused values, organizational climate, habits of thinking, shared meanings, and integrated symbols that the members of the organization develop and evolve over time (Schein, 2010, pp. 14–16; Alvesson, 2011). The formation of organizational culture is a gradual process that occurs over an extended period of time, encompassing numerous iterations and adjustments. This evolution enables members of the organization to discern which practices are effective, which are ineffective (Panagiotis, Alexandros and George, 2014; Haryadi, 2022), and which align most closely with their core values and beliefs. It can be conceptualized as 'a habit that applies to an organization' (Paais and Pattiruhu, 2020, p. 578), exerting a profound influence on the organization's success or failure, contingent on the degree of satisfaction or dissatisfaction among employees. This is of great consequence, as it has the potential to significantly influence the effectiveness, efficiency, and performance of an organization. Therefore, a comprehensive and realistic assessment of the organizational culture is vital for the success or failure

of any entity. This is why Ehrhart, Schneider and Macey (2014) attempted to argue that it is of paramount importance to ‘understand how culture is linked to outcomes and effectiveness’ (p. 125 *apud* Davey and Symon, 2001) and to discern how it can be modified and adapted to align with the present needs, challenges, or opportunities presented by the external environment.

Consequently, organizational culture can be utilized as an effective instrument to bolster the organization’s resilience, performance, and overall capacity for adaptation and knowledge transfer. A robust organizational culture can serve as a unifying force, providing employees with clarity regarding the allocation of their energy and efforts (Ehrhart, Schneider and Macey, 2014, p. 161). Concurrently, it enables management to establish a coherent direction by fostering effective groups, disseminating pertinent information, and making strategic and tactical decisions that advance the organization’s goals (Steers, Nardon and Sanchez-Runde, 2009, p. 73).

There is no universally accepted definition of organizational culture, nor a consensus regarding its form or direction. It is a nebulous concept, intricate in its nuances, and profoundly influential in shaping how the organization is perceived, operates, and engages with its internal and external constituents. It is therefore important to understand the organization’s narrative, strategic direction, and values. As illustrated by London and Mone (2014), organizational culture reflects the manner in which the organization is managed, as previously presented by Steers, Nardon and Sanchez-Runde (2009). It encompasses the norms, rules, and behaviors that are accepted within the organization. The aforementioned factors can result in the formation of organizational cultures that prioritize different values. For instance, some cultures may espouse a commitment to loyalty, performance, and unity, whereas others may adopt a more cautious approach, emphasizing continuity in learning and a reluctance to change. This latter approach may even involve the use of fear-inducing tactics to maintain the status quo (Steers, Nardon and Sanchez-Runde, 2009, p. 73).

It is therefore imperative to comprehend the pivotal function of the manager, particularly within the public sector, in order to circumvent the potential detrimental effects of an organizational culture that may give rise to challenging sub-cultures. This emphasis is warranted given the greater impact that the public sector has on community wellbeing and sustainable development, as well as its capacity to affect a larger population than the private sector (in most cases). So, it is recommended that a knowledge-based management approach be adopted in order to ensure the timely transfer of information and enable public institutions to develop the capacity to engage relevant stakeholders from their communities (including private entities, universities, and NGOs) in decision-making processes and the promotion of organizational learning.

As a result, it can be argued that organizational culture is an effective tool for implementing a knowledge-based management approach that facilitates knowledge sharing, improves collaboration and coordination, and strengthens organizational direction. As proposed by Steers, Nardon and Sanchez-Runde (2009), it is essential to recognize that

all components of an organization are interconnected. If one element is disregarded, it can potentially lead the organization astray from its intended mission and direction.

In light of the aforementioned considerations, we chose to undertake exploratory research on 17 Romanian city halls, with the objective of gauging the extent to which their organizational culture is perceived as robust, vulnerable, receptive (or otherwise) to change, and whether their values are aligned with those of their institutions. As previously stated, the rationale for conducting this study on public institutions is rooted in their inherent complexity, resilience, and the high-stakes nature of their operations. Furthermore, it would be beneficial to determine whether tangible instruments can be devised to encourage collaborative endeavors that facilitate the transfer of knowledge among them and relevant stakeholders, including private, non-profit, and academic entities. By predicting and explaining behavior through the lens of organizational culture, we gain insight into the potential for knowledge-based management approaches to flourish within these institutions. Consequently, based on the obtained scores, it is possible to make certain predictions regarding their capacity to transfer knowledge, adapt, and utilize a knowledge-based management approach in their decision-making processes (Wehn and Montalvo, 2016, p. 58).

2. Literature review

2.1. Denison's model on organizational culture

Daniel R. Denison's model for analyzing organizational culture is well known in the field and is used as a reliable tool for measuring, understanding, and improving organizational culture in all types of organizations. The model takes a holistic approach in the sense that it considers the internal and external factors of an organization, as well as its capacity to be flexible and stable, and can provide some guidelines for areas of improvement. Furthermore, it is consistent with the idea that organizational culture is an engine for organizational effectiveness (Denison and Mishra, 1995), knowledge transfer, performance, and an appropriate method for improving the quality of human resources within the organization. This argument is supported by the correlation between core attributes of an organization, such as core values, goals and objectives, organizational learning or capability development (Denison, 1990), all of which contribute to the success or failure of an organization, thus underlying the importance of a clear, objective and realistic analysis of organizational culture to be able to prevent unfortunate events and enhance the potential that lies within the organization.

The term consistency refers to the strength of an organizational culture and its capacity to enhance effectiveness. This is achieved through the continuity of activities, values, and mission, while integrating individual behaviors into the overall process (Denison, 1990; Denison, undated (a); Denison, undated (b)). To assess these elements, a variable is constructed based on three primary indicators: core values (and their alignment with the core values of the human resources), agreement (on all actions, processes, and directions based

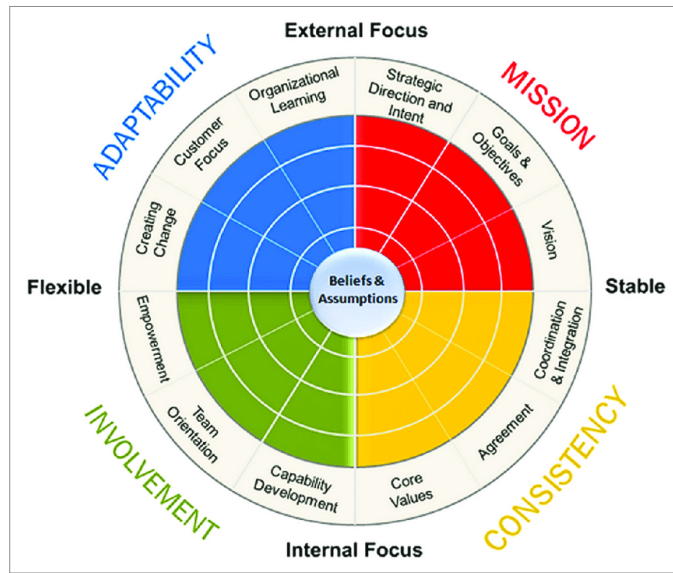


Figure 1: Denison's model

Source: <https://www.denisonconsulting.com>

on the decision-making processes), and coordination and integration of all aspects pertaining to the organization's activities.

The degree of involvement of the group and the leader is contingent on their perspectives on the organization and on the opportunities, it accounts for developing a sense of belonging and purpose. In the absence of group unity, crucial aspects may be overlooked, delayed, or unattainable due to a lack of coordination and communication. Consequently, this variable emphasizes the development of capabilities, a team-oriented approach, and a sense of unity and empowerment among the human resources.

The capacity for adaptability provides an organization with the requisite tools to effectively confront adversity, facilitate learning, promote development, and introduce new tools and mechanisms to enhance its performance and efficiency. In a world in constant flux, with globalization, geopolitical pressures, and environmental change playing significant roles, the ability to adapt is a crucial skill for organizations. Accordingly, the indicators of this variable are change creation, customer focus, and organizational learning. The latter is essential for the continuous growth and development of organizations, as it fosters knowledge transfer and sharing with relevant stakeholders from their communities.

Lastly, the mission of an organization represents its fundamental purpose and provides clear direction and goals that define the appropriate course of action for the organization and its members (Denison, 1990, p. 13). The mission represents a fundamental element that provides unity, offers clarity, and mitigates the sense of uncertainty and ambiguity. In summary, the three key indicators that encapsulate the aforementioned are vision, strategic objectives and intent, and goals and objectives. The mission is divided into tangible and

quantifiable aspects that provide a clear view of the organization's progress, effectiveness, efficiency, and performance. Additionally, these aspects offer guidelines and suggestions for members who may deviate from the main trajectory. The role of the manager is particularly important in this context, as they are responsible for coordinating, communicating, and facilitating an environment that enables members to achieve the mission. Additionally, it is crucial for managers to consider the mission as their own, thereby fostering a sense of belonging and loyalty to the organization's values.

The model created by Denison (and further developed by his team) serves as an effective instrument for evaluating an organization's capacity for positive development in various domains, including unity, group development, organizational learning, and knowledge-based management. This capacity is contingent upon the organization's ability to adapt and accept change, to accept and even implement external input, and to foster an environment and organizational climate that encourages (controlled) risk-taking, continuous learning for members, and diversity.

To sum up, the implementation of this instrument in Romanian city halls will allow us to ascertain the potential for a knowledge-based management approach and to identify ways to enhance it, thereby initiating a process of flexible, adaptable, and open administrative reform over the longer term.

2.2. Knowledge-based management

As previously stated, in the contemporary era, knowledge is the pinnacle of power and a resource that must be cultivated and continually enhanced. It is considered essential to create value, to be innovative, to allow members to 'acquire, organize, maintain, apply, distribute, publish, and recreate' information (Khatibian, Hasan Gholoi Pour and Abedi Jafari, 2010, p. 54), and to facilitate performance through more external partnerships and collaborations (Wehn and Montalvo, 2016; Khatibian, Hasan Gholoi Pour and Abedi Jafari, 2010; Bacon, Williams and Davies, 2019; Intezari, Pauleen and Taskin, 2022; Bukoye and Abdulrahman, 2023).

It is therefore of the utmost importance for public institutions, particularly city halls, to be able to communicate effectively with relevant stakeholders and to establish partnerships that can enhance their performance, resilience, and ability to respond rapidly to challenges. The sharing, transfer, and management of knowledge can be facilitated if city halls cultivate the capacity to develop quadruple helix models, wherein private, nonprofit, academic, and public entities, in collaboration with civil society, can undertake projects and/or programs with enhanced impact, thereby contributing to the sustainable development of their communities.

As organizations expand, their responsibilities concomitantly increase. Similarly, as communities grow, the responsibilities of public entities also grow. Consequently, there is a need for more specialized indicators to assess and manage organizational knowledge (Khatibian, Hasan Gholoi Pour and Abedi Jafari, 2010, p. 55). This can be achieved

through knowledge management. The latter can enhance organizational learning, adaptability, employee involvement, and consistency in achieving the organization's mission. However, to do so, it must 'ensure the right flow of knowledge through codification and personalization' (Shujahat *et al.*, 2019, p. 444) of information, ensuring that employees have access to all the required data to produce a high level of performance and maintain an expected level of productivity.

Therefore, a knowledge-based management approach is essential to an organization's success and well-being, as it enables valuable input from external partners, stakeholders, and citizens (or clients). It is therefore incumbent upon public institutions, in this case, city halls, to provide training in this capacity and to adapt it to their specific needs. Moreover, it is crucial to highlight the significance of implementing effective knowledge-based management strategies to align organizational processes, culture, and capability development, thereby facilitating the generation of valuable knowledge clusters that can assist public institutions in flourishing and addressing community needs.

To achieve this, it is essential to consider the most valuable asset of any organization: its human capital and the manner in which it interacts within the organizational structure. In other words, by grasping the values and beliefs that inform employees' actions, we can illuminate the intrinsic role of knowledge processes (Intezari, Pauleen and Taskin, 2022, p. 1517). This understanding can then be leveraged to foster synergies that support and encourage these types of approaches, ultimately making organizations more receptive and adaptable to change. The aforementioned values and beliefs are constructed within the organizational culture and are contingent upon the acceptance or rejection of these values. It is therefore important to ascertain the extent to which an organization's culture facilitates knowledge-based management and to identify potential avenues for its enhancement. Some authors (Intezari, Pauleen and Taskin, 2022 *apud* Sutton, 2001; Sackmann, 2011; Tsai, 2011; Slack and Singh, 2018; Bukoye and Abdulrahman, 2023) posit that knowledge is a mode of behavior within an organization, and thus subject to the influence of the organizational culture. Researchers emphasize the idea that 'organizational culture must recognize knowledge as a human capacity rather than an object that exists independently of human subjects' (Intezari, Pauleen and Taskin, 2022, p. 1517).

Accordingly, an organizational culture that fosters knowledge can support individuals' creativity, learning, exploration, and experimentation. Furthermore, it can facilitate knowledge transfer and discovery of new and innovative methods for achieving productivity, efficiency, and performance at work. However, it is not the case that all organizations (especially public institutions) have the capacity, resources, or willingness to do so. The necessity for addressing these shortcomings and implementing tailored solutions that can bring about long-term change and improvement must be recognized. It is therefore important to analyze and understand organizational culture, as it lies at the core of organizations' actions, beliefs, and capacities.

2.3. The correlation between knowledge-based management and Denison's model in the context of Romanian city halls

In the preceding two sections, we presented the two principal concepts of this paper to provide a clear understanding of the instrument we used and its relevance for public institutions (but not solely for them). In this section, we aim to elucidate the interrelationship between the primary variables utilized in Denison's model (adaptability, consistency, mission, and involvement) and the pivotal elements pertaining to knowledge management and knowledge transfer (attitude, pressure, control over, and willingness), as delineated in the study conducted by Wehn and Montalvo (2016). This analysis is contextualized for public institutions, particularly Romanian city halls.

Firstly, it is necessary to discuss the correlation between mission (strategic objectives and intent; goals and objectives; vision) and control over knowledge transfer. The latter concept emphasizes the institutional capacity to manage and coordinate knowledge, whereas the former elucidates its fundamental essence and underscores the significance of direction, clarity, and purpose within an organizational context. In public institutions, particularly city halls, these elements represent the fundamental tenets that underpin the functioning of the institution. They inform the implementation of public policies, the identification of priorities, and the management of work within the institution. These aspects must be considered in the context of stability (hence the control over knowledge transfer and management), while simultaneously maintaining an external focus. This fosters awareness and proactive engagement with changes, pressures, adversities, or opportunities that may arise within the community.

Secondly, it is essential to comprehend the consistency of their actions in accordance with the pressures to transfer knowledge and management, particularly in terms of core values, agreement, and coordination, and integration. In this context, the primary objective of city halls is to ensure the well-being of their citizens and to demonstrate consistency and effectiveness in this regard. In order to fulfill their primary objective of ensuring the wellbeing of their community, city halls must adapt to the ever-changing needs, tools, technologies, and legislation arising from both external and internal environments. The ability of employees to manage and overcome pressures, or create weaknesses in their unity and organizational culture, is contingent upon the shared meanings and beliefs they hold. This is a pivotal point, as city halls are constrained by the legal, regulatory, and legislative frameworks they must adhere to, which can impede their efforts to become more flexible and adaptable. It is imperative to prioritize an internal focus on employee conduct within the organizational structure and to foster a sense of stability through incremental changes.

The willingness to transfer knowledge is correlated with the level of adaptability (the capacity to create change, to focus on the customer (citizen) perspective, and to facilitate organizational learning) of the city halls in question. However, it is essential to consider a number of significant factors when interpreting these findings. As a public institution, it is constrained by laws, regulations, and legislation adopted at the central level. Additionally, due to its vague purpose (ensuring and protecting the wellbeing of its community), it is

challenging to measure performance or to take risky decisions. Notwithstanding these constraints, a number of city halls have successfully digitized the majority of their services, devising innovative methods of engaging with their citizens and forging links with relevant stakeholders in their communities. This has enabled them to develop sustainable, bespoke projects that support the integrated development of their cities. There are, therefore, opportunities for promoting organizational learning and change, provided there is a willingness to collaborate, share, and manage knowledge, while adopting a flexible approach and maintaining an external focus.

Finally, the attitude toward knowledge transfer and management is shaped by the level of involvement in the institution's values, beliefs, and mission (with a focus on internal elements). This involvement can take various forms, such as empowerment, team orientation, and capability development. The ability to promote experimentation, offer employee autonomy, and support creative, diverse, and new ideas at an organizational level is crucial. This requires a flexible attitude that aligns with the aforementioned factors. It is also important to consider the limitations of public institutions in comparison to private institutions, and how these limitations can hinder the creation of a positive attitude towards change. Concurrently, it is essential to acknowledge the tendency to perpetuate the status quo and the inclination towards maintaining established practices, which, over time, may negatively impact the quality of life within the community, the reputation of the institution, and the potential for collaboration with external stakeholders.

In conclusion, it is essential to emphasize the significance of managerial practices in city halls. These practices encompass the control, coordination, and management of behavior, as well as the promotion of specific values, beliefs, and schools of thought. This, in turn, facilitates the transfer, sharing, and exchange of knowledge, thereby enabling a more flexible, adaptable, and goal-focused administrative reform.

3. Methodology

Denison's model consists a set of 60 affirmations (five for each item), with a scale ranging from 1 (total disagreement) to 5 (total agreement). This allows respondents to situate themselves at a point on the scale that they perceive as most appropriate. The advantage of this model is that it allows us to ascertain the respondents' perceptions and their relationship to the organization's goals, mission, and purpose. However, it also employs a subjective approach, necessitating a combined model of analysis that integrates subjective indicators with objective data to achieve more accurate and precise results. Given the distinctive characteristics of public institutions and their underlying purposes, it is challenging to ascertain precise objective indicators. This is due to the inherent complexities, diversities, and specificities in their operations, which are shaped by factors such as regional development levels, differing needs and requirements, and varying levels of development.

Out of the total of 41 City Hall of county seats that were targeted, the sample employed for this exploratory study comprises 17 Romanian city halls, yielding a total of

692 responses. Data collection was conducted over a period of three months, March-May 2024. An online survey was sent via e-mail to City Halls. We acknowledge that a limitation of this data-collection method is that we did not control who responded to the questionnaire or the circumstances under which they responded, and some responses may have been influenced by social desirability bias. Regarding demographics, 69% of respondents are female and 31% are male. The age distribution of the respondents is as follows: 32.3% are in the 36–45 age group, 28.6% are in the 46–55 age group, 24.1% of the respondents are in the 26–35 age group, while 13.2% of the respondents are 56 years old and over. The smallest percent (2%) is for the group under 25 years old. It can be observed that the majority of respondents are female, over the age of 36, and have been employed by the city hall for 7–10 years. This indicates that they possess a comprehensive understanding of the organizational culture that pervades their institution. Lastly, with regard to educational background, the majority of respondents possess either a bachelor’s or a master’s degree.

It can thus be stated that the sample includes individuals who possess a comprehensive understanding of their institution and can provide responses that align with the institution’s values, behaviors, and attitudes. However, it is essential to acknowledge the potential for subjectivity and social desirability bias inherent in the instrument utilized, and to exercise caution in interpreting the findings.

4. Results

Before looking at the results, we performed a KMO and Bartlett’s Test to see the adequacy of our results and data set, as seen in the table below:

Table 1: KMO and Bartlett’s Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.773
Bartlett’s Test of Sphericity	Approx. Chi-Square	58003.845
	df	66
	Sig.	.000

Source: Authors’ own contribution

The test shows a validity of 0.773, which is above average and can be considered significant from a statistical point of view, making it valid because there is a significant relationship between the variables used in this research (see Table 1).

Moving forward, the initial objective of our analysis was to ascertain the level of satisfaction perceived by our respondents in relation to their workplace and their self-perceived position within it. It was unexpected to observe that 73.4% of respondents reported a great and very great level of satisfaction and contentment with their professional roles, while 22.4% indicated a neutral stance regarding their level of satisfaction with their work environments. It is notable that only a small proportion of respondents (less than 3%) indicated a high level of dissatisfaction (see Figure 2). These preliminary findings may indicate a

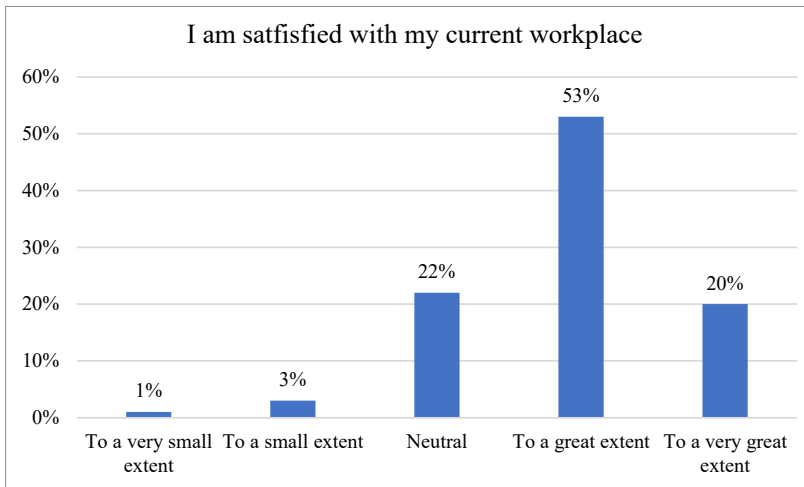


Figure 2: Workplace satisfaction

Source: Authors' own contribution

certain degree of loyalty and alignment with organizational values. However, it is essential to consider the potential for bias in the responses provided.

A review of the data in the figure above suggests that progress is being made in the direction of enhancing knowledge-based management and promoting a culture that is more open to change, idea-sharing, and stakeholder involvement in decision-making processes. However, it is also necessary to consider the overall results obtained for the indicators that comprise the model's four main variables, as illustrated in the figure below (see Figure 3).

Upon initial examination, it becomes evident that the values are situated more toward the middle of the interval, devoid of any extreme outliers (as rated on a scale of one to five) (see Figure 3). However, a closer analysis reveals the presence of subtle nuances within the data set. It is first necessary to note the lowest scores obtained by the respondents. The lowest score obtained is associated with the core values of the respondents in relation to coordination and integration (3.47). In terms of consistency, this could potentially lead to significant challenges over time. The shared meaning of the organization's purpose may be diminished, thereby weakening the system that regulates behavior and maintains organizational harmony.

Another area needing an in-depth analysis is the capability development (3.47) of employees and the constraints they face in exercising autonomy, assuming responsibility, and exploring new and diverse ideas, particularly in light of the circumstances under which their institutions operate.

Finally, a fundamental aspect of knowledge-based management is the capacity to facilitate change (3.46) and to embrace novel approaches to problem-solving. This is a recurring challenge for city governments due to inherent limitations and constraints associated with their operational mandates.

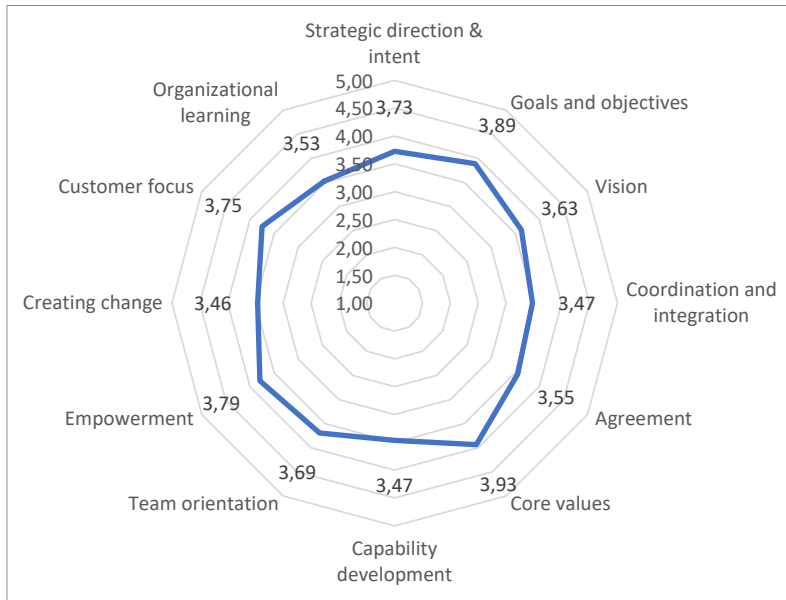


Figure 3: General results of the indicators

Source: Authors' own contribution

Therefore, an analysis of the overall results indicates that the primary deficiencies pertain to consistency (pressure to transfer knowledge), adaptability (willingness to transfer knowledge), and involvement (attitude towards knowledge transfer). As previously stated, these issues are primarily related to the nature of the activity and field in question (given the legislative pressures and limits inherent to a city hall), as well as the nature of the human resources involved (which may exhibit signs of stagnation, resistance to change, and an inability to adapt to new procedures).

On a positive note, the highest scores are for core values (3.93), indicating a sense of unity and alignment between their personal values and those of the institution. This is significant because it indicates a strong organizational culture, but we need to see what their underlying assumptions are and whether they support a knowledge-based management approach or, on the contrary, are mostly resistant to change. Secondly, the respondents demonstrated a clear understanding and acceptance of the stated goals and objectives (3.89), indicating a certain degree of commitment and responsibility towards their work. Conversely, respondents indicated that empowerment (3.79) is highly regarded and safeguarded, serving as a cornerstone for fostering desired behaviors within their institutions.

It can thus be concluded that consistency has been awarded both the highest and lowest scores, while mission (control over knowledge transfer) has remained at a consistent level of understanding and direction. However, there is room for improvement in terms of involvement. Although employees are empowered, it is essential to comprehend the

specific manner in which they are empowered and to identify strategies for leveraging this empowerment to enhance their capacity for professional growth.

After examining each indicator separately, it is essential to consider the primary variable utilized in Denison’s organizational culture model to gain insight into the primary limitations and obstacles hindering the adoption of a knowledge-based management approach that fosters openness, knowledge transfer, and information sharing, thereby enhancing communication, coordination, and collaboration between employees and between citizens and the municipal authorities in question.

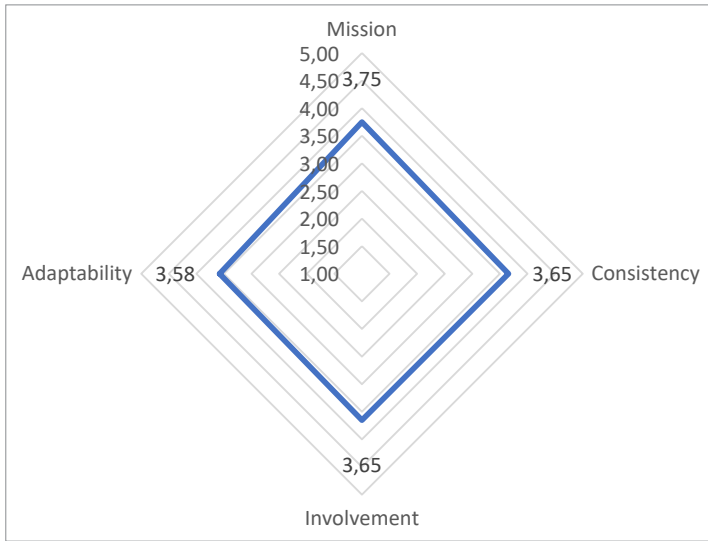


Figure 4: General results of the variables

Source: Authors’ own contribution

As illustrated in the figure above, the primary challenge in implementing a knowledge-based management approach is the ability to adapt and learn at the same pace as the environment, which is characterized by constant change. The finding that adaptability (3.58) received the lowest score is noteworthy and merits further investigation. It suggests the need for an organizational diagnosis to identify deficiencies in the process of creating change or organizational learning ability and to determine where and how to introduce, educate, and shift the prevailing mindset. The relatively average willingness to transfer knowledge is related to the nature of the institution, but is primarily associated with the prevailing work practices within the institution and the extent to which individuals are able to adapt their approach to align with new and evolving requirements.

Conversely, they appear to possess a profound comprehension of their purpose, sense of direction, and mission (3.75), a quality that is somewhat unexpected. Nevertheless, it is imperative to ascertain the precise nature of their understanding and interpretation of that mission. If their understanding is to maintain and protect the *status quo*, then we have

identified the pattern and can proceed to identify potential solutions that could be adapted to their specific needs.

We also wanted to test if these results (mean of responses) are consistent, thus we did an Exploratory Factor Analysis (EFA) in SPSS, looking mainly at the four dimensions. To do so, we created the variables in SPSS, normalized the data and performed the EFA test, using the ‘principal axis factoring’ method.

These dimensions formed a single factor, ‘organizational culture’, and in terms of influence, ‘consistency’ has a value of 0.332, followed by ‘mission’ (0.272) and ‘adaptability’ (2.55) (see Table 2).

Table 2: EFA analysis

Factor Score Coefficient Matrix	
	Factor
	1
Involvement	.201
Consistency	.322
Adaptability	.255
Mission	.272

Extraction Method: Principal Axis Factoring.
 Rotation Method: Varimax with Kaiser Normalization

Source: Authors’ own contribution

If it is to compare the EFA analysis and the means in Figure 4, we can see that from the respondent’s perspective, the ‘mission’ dimension is the most relevant to them, whereas, from a statistical point of view, the ‘consistency’ one is more relevant and influential for organizational culture. These results are understandable, taking into consideration the fact that we need to be consistent and have a stable base of action if we want to build a strong and long-lasting culture that can be embedded in the values of the employees.

Furthermore, after the EFA analysis, we created the variable ‘organizational culture’ (based on the results above), and after we standardized the values, we were curious if we got similar or even the same results in an Artificial Neural Network (ANN) test (also done in SPSS). This computational model shows us the relationship between variables and can show patterns in large databases. The model shows the input layers (the input data that we provided), the hidden layers (the extracted features of the model that can alter the output layer or show different biases of the model we gave the structure to test), and the output layer (the final predictions).

As shown in Figure 5 (after testing and training the program, learning the patterns), the ‘consistency’ dimension has the most influence on the variable ‘organizational culture’, with an importance of 0.636 (Table 3). This is supported by the fact that ‘mission’ comes in second place (0.139), giving us an understanding of the main elements of the organizational culture in the involved city halls. Therefore, we might understand that if

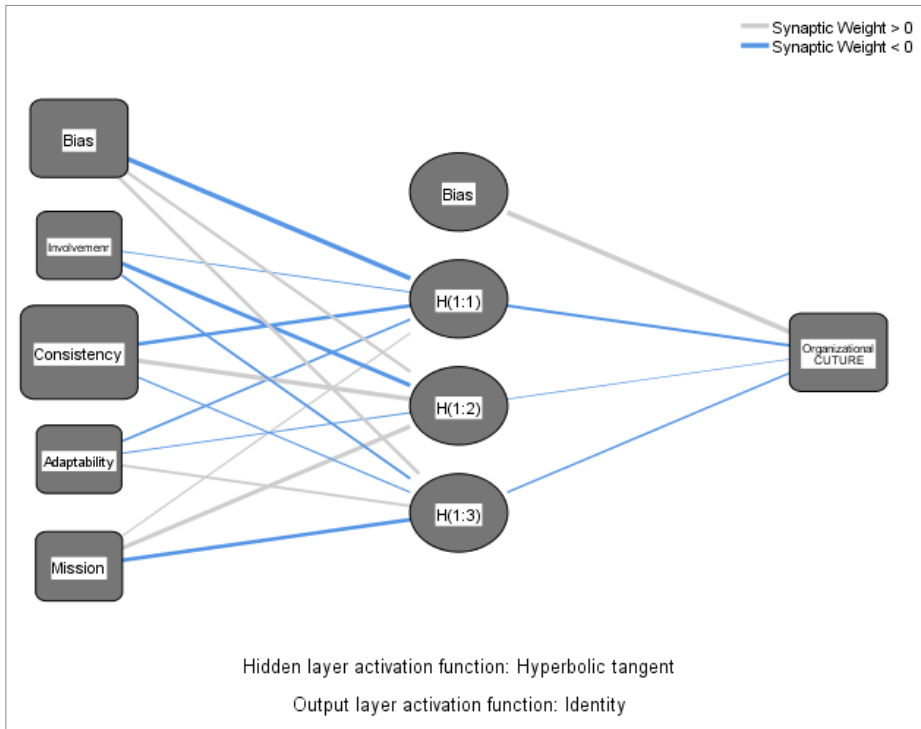


Figure 5: ANN test

Source: Authors' own contribution

employees have a clear mission, then consistency should help them align their actions to reach their mission. Even from the initial results, we can observe that in terms of knowledge-based management, there is a clear pressure to transfer knowledge and to control how that knowledge is transferred. Henceforth, we must understand the legal constraints of public institutions in order to develop tailored made solutions that can answer to the real needs of their community.

Table 3: Independent variable importance

	Importance	Normalized Importance
Involvement	.111	17.5%
Consistency	.636	100.0%
Adaptability	.114	18.0%
Mission	.139	21.8%

Source: Authors' own contribution

Therefore, after doing these additional tests, we can say that for culture (or organizational culture in our case), the most crucial aspect is related to consistency and being

aligned with the mission of the organization. The employees' values must be similar to the organization's values if they want to reach the goals they set and to actually have a successful and sustainable development. Simultaneously, there must be room for flexibility and adaptability if we want to promote knowledge-transfer mechanisms. And unfortunately, the latter aspect is forgotten or underplayed, affecting the wellbeing and connectivity of the organization.

Furthermore, it is necessary to examine the results for each city hall to gain a comprehensive understanding of the specific areas requiring input. This will enable the formulation of targeted proposals that are tailored to the needs of each city hall, considering the varying levels of development, resources, and citizen needs across different regions.

Table 4: Indicator's results per city hall

Cities/ Indicators	Strategic direction & intent	Goals and objectives	Vision	Coordination and integration	Agreement	Core values	Capability development	Team orientation	Empowerment	Creating change	Customer focus	Organizational learning
Alba Iulia	3.87	3.93	3.78	3.44	3.62	3.88	3.68	3.8	3.81	3.65	3.89	3.69
Pitești	4.11	4.37	4.08	3.86	3.83	4.27	3.94	4.31	4.21	3.73	4.09	3.8
Oradea	3.27	3.66	3.31	3.06	3.19	3.63	2.84	3.26	3.32	3.12	3.38	3.09
Bistrița	3.84	3.76	3.73	3.45	3.45	4	3.55	3.69	3.84	3.44	3.76	3.64
Brăila	3.42	3.67	3.4	3.27	3.44	3.87	3.26	3.66	3.64	3.44	3.5	3.45
Reșița	3.57	3.7	3.44	3.46	3.54	3.75	3.38	3.81	3.76	3.42	3.76	3.34
Călărași	3.79	3.94	3.63	3.45	3.52	3.91	3.55	3.73	3.78	3.57	3.68	3.54
Cluj-Napoca	3.9	3.94	3.81	3.35	3.67	3.7	3.58	3.82	3.76	3.58	3.86	3.6
Sfântu Gheorghe	3.42	3.59	3.38	3.2	3.39	3.54	3.27	3.23	3.43	3.25	3.61	3.29
Târgoviște	3.73	4.35	3.85	3.53	3.73	4.04	3.18	3.68	3.85	3.45	3.78	3.65
Galați	3.6	3.8	3.56	3.34	3.47	3.96	3.32	3.73	3.73	3.51	3.73	3.46
Giurgiu	4.17	4.69	4.27	4.43	4.15	4.52	4.03	4.66	4.74	4.25	4.22	4.07
Târgu Jiu	3.63	3.68	3.52	3.36	3.47	3.81	3.21	3.65	3.84	3.49	3.7	3.47
Deva	3.4	3.74	3.48	3.27	3.44	3.73	3.24	3.64	3.75	3.41	3.59	3.39
Slatina	3.83	3.84	3.69	3.59	3.73	4.04	3.5	3.58	3.95	3.56	3.64	3.53
Zalău	4.11	4.16	3.69	3.92	3.67	4.56	4.05	3.34	3.91	3.26	4.49	4.05
Timișoara	3.7	3.33	3.07	3.07	3.1	3.67	3.33	3.2	3.17	2.77	3.1	2.93

Source: Authors' own contribution

Once we have a general idea of the perceived organizational culture based on Denison’s model, we must continue our analysis at the individual level to determine exactly where each city hall places itself with respect to the indicators that make up the four main variables (mission, consistency, adaptability, and involvement). Looking at the table above, we can already see some discrepancies between the responding city halls, especially in terms of coordination and integration (Consistency), capacity development (Involvement), creating change (Adaptability), and organizational learning (Adaptability). These aspects are crucial for fostering a knowledge management culture and, as we can see, they are the main elements lacking.

It is also important to consider the constraints that city halls and public institutions face (mainly legislative and structural constraints). However, it is evident that some city halls have managed to thrive despite these limitations, demonstrating an ability to adapt to the evolving needs, pressures, and opportunities that arise. Furthermore, it is essential to consider the resources available to these entities, their distribution, administrative capacity, and even their geographical location. Pitești, Călărași, and Giurgiu (as seen in Figure 6) benefit from their closeness to Romania’s capital and, for the latter two, direct access to the Danube, which gives them a particular logistical and economic edge. By contrast, cities such as Timișoara, Oradea, Cluj-Napoca, and Zalău, located in the west and north-west, hold different competitive strengths, including border proximity, varied development levels, and stronger ecosystems in IT, creative industries, energy clusters, and partnership-driven initiatives. It is also important to consider the extreme (minimum and maximum) scores obtained, as illustrated in the figure below.

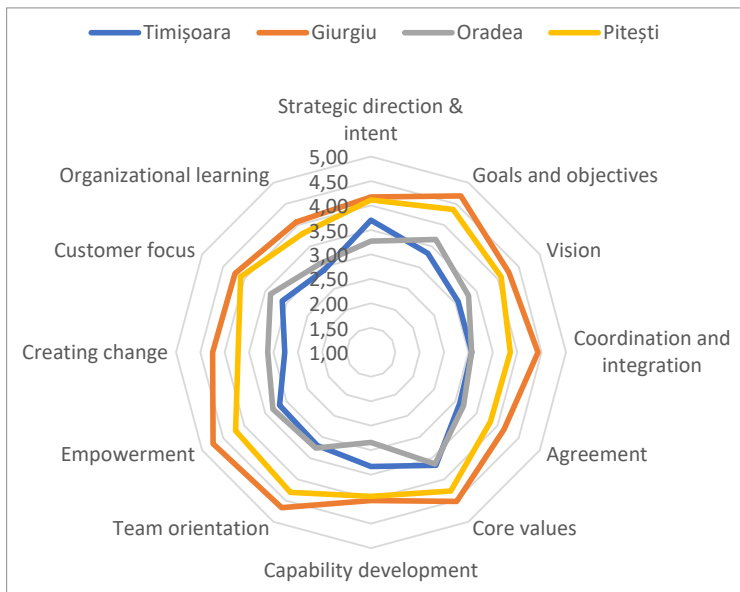


Figure 6: Highest and lowest values of the indicators

Source: Authors’ own contribution

The initial observation refers to the considerable discrepancy between the cities of Timișoara and Oradea, situated in the western region of Romania, and Pitești and Giurgiu, which have the highest scores (among all the respondent city halls), situated in the south-eastern region of Romania, in close proximity to the capital city – Bucharest. These discrepancies are noteworthy, particularly given that the western and northwestern regions of Romania exhibit greater development than their eastern counterparts, despite the proximity of the latter to Bucharest.

One observation regarding these results is that there is a discrepancy in perspective, needs, and meaning between the respondents and the affirmations derived from Denison’s model. To be more precise, aspects such as coordination and integration, capability development, organizational learning, and creating change have different meanings, implications, and levels of complexity for those in the western part of the country compared to those in the southeastern part. Consequently, it can be argued that these significant discrepancies are attributable to the demographic and geographic characteristics of the cities in question, which introduce a multitude of additional considerations, challenges, and demands. These factors are less prevalent in smaller counties with limited resources or less complex responsibilities.

Table 5: Variable's results per city hall

Cities/ Variables	Mission	Consistency	Involvement	Adaptability
Alba Iulia	3.86	3.65	3.76	3.74
Pitești	4.19	3.99	4.15	3.87
Oradea	3.42	3.3	3.14	3.2
Bistrița	3.78	3.64	3.69	3.61
Brăila	3.49	3.53	3.52	3.46
Reșița	3.57	3.58	3.65	3.51
Călărași	3.79	3.63	3.69	3.59
Cluj-Napoca	3.88	3.57	3.72	3.68
Sfântu Gheorghe	3.46	3.38	3.31	3.38
Târgoviște	3.98	3.76	3.57	3.63
Galați	3.65	3.59	3.6	3.57
Giurgiu	4.38	4.37	4.48	4.18
Târgu Jiu	3.61	3.55	3.57	3.55
Deva	3.54	3.48	3.54	3.46
Slatina	3.79	3.79	3.68	3.58
Zalău	3.99	4.05	3.77	3.93
Timișoara	3.37	3.28	3.23	2.93

Source: Authors' own contribution

Notwithstanding, these significant issues have the potential to impede the willingness and positive attitude towards knowledge transfer, sharing, and management. This is based

on the cumulative data for each variable, as seen in the table above. The ‘mission’ variable is correlated with the ability to control knowledge transfer and the effectiveness of directing and aligning its purpose. As evidenced by the data, there is a clear and consistent understanding of the goals, objectives, and vision across all city halls, with scores above the average. The primary issue that must be addressed is the markedly low scores for ‘adaptability’, indicating a lack of willingness to accept, implement, and nurture change through knowledge-based management approaches.

Once more, when considering the nature of public institutions and their intended purpose, the situation is comprehensible. However, it is noteworthy that counties such as Cluj-Napoca, Oradea, Zalău, and Alba Iulia have made significant strides in digitalization, streamlining reforms, procedures, and citizen interactions. Therefore, there is a need to implement efficient, strategic methodologies to optimize the use of available knowledge and resources and facilitate meaningful, sustainable improvements.

The aforementioned is concomitant with the concept of ‘involvement’ and the attitudes espoused by respondent city halls with regard to change, experimentation with novel ideas, and investigation of alternative possibilities. It is important to consider that in some instances, there is a willingness to embrace change and a positive attitude towards it, yet a lack of knowledge of the most effective methods for achieving this. It is therefore essential that relevant stakeholders are involved in the reform process and that city halls collaborate with them. This will ensure the implementation of a sustainable, balanced, and effective administrative reform that can enhance an organizational culture that promotes knowledge management, resilience, openness to change, and ongoing learning.

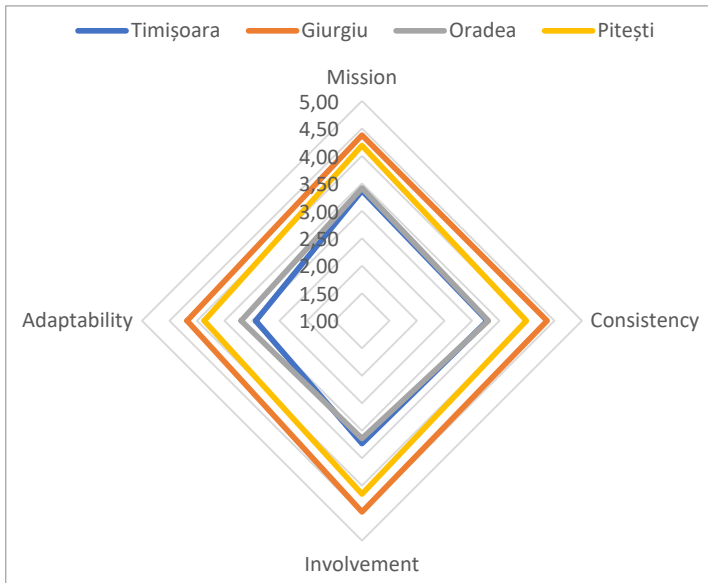


Figure 7: Highest and lowest values of the main variables

Source: Authors’ own contribution

As previously stated, the results exhibited some inconsistencies. Specifically, the extreme minimal and maximum values did not align with expectations. Timișoara and Oradea (as seen in Figure 7) received the lowest scores, while Giurgiu and Pitești received the highest. Their disparate interpretations of the affirmation, which completes Denison's model, may be attributed to the varying contexts and resource needs of these counties. Factors such as administrative capacity and expertise in utilizing resources efficiently and effectively may also contribute to these differences.

As anticipated, the 'mission' variable received the highest scores, indicating a comprehensive understanding of the vision, direction, and strategic objectives. Conversely, 'adaptability', which encompasses the willingness to accept and enhance knowledge transfer, sharing, and management, received the lowest scores. This presents a significant obstacle to the implementation of a more adaptive, open, and diverse administrative reform, impeding the ability of city halls to collaborate and transfer knowledge with relevant stakeholders from their communities.

Of the four city halls that presented disparate results, Giurgiu is a particularly intriguing case. It received the highest score in terms of 'involvement', indicating a favorable attitude toward change and development, as well as a high level of group cohesion. However, it also exhibited the lowest score in terms of 'adaptability', suggesting a lack of willingness to adapt due to resource constraints, a dearth of knowledge, or the absence of a comprehensive strategic plan to guide its transition toward a knowledge-based management approach.

Furthermore, this research showed a pressing need for intervention to reduce resistance to change. This should be done to present the benefits of change and knowledge transfer, as well as to educate civil servants on the importance of adapting their ways to a more open, integrated approach. This approach could even support the development of quadruple helix networks, where knowledge is used as a transferable tool for the sustainable, innovative, and resilient development of city halls and their communities.

5. Conclusions and recommendations

In the contemporary era, characterized by relentless change, knowledge represents the most valuable resource. It must therefore be employed in a strategic and nurturing manner, particularly by public institutions. Therefore, it is evident that an administrative reform that is prepared to face adversity, capable of adapting to changes, and able to facilitate knowledge transfer with key stakeholders from their communities is of paramount importance.

The concept of a quadruple helix model in the context of knowledge-based management is gaining traction, representing a potential necessity in some cases. However, as evidenced by the observations presented, it is not always given due consideration, nor do some municipal authorities possess the requisite resources to implement it. This may be due to a lack of suitable stakeholders or a reluctance to seek collaborations and support.

In light of the findings of this exploratory research, several key conclusions can be drawn. Firstly, there is a notable absence of willingness to transfer knowledge, accompanied

by a tendency to adhere to established practices. As previously stated, the reluctance to transfer knowledge can be attributed to the nature of city hall work and the purpose of these institutions. However, it is essential to acknowledge that there are instances where this resistance is misguided. As evidenced by the presented case studies, there are instances where the sharing of knowledge has led to positive outcomes.

Secondly, a more aligned and transparent strategic planning process must be established to enable employees to share, receive, and process knowledge in a way that enhances their capabilities, facilitates their work, and supports the creation of more flexible, adaptable, and simplified processes to achieve the desired results.

Finally, enhanced communication is imperative to prevent the loss of information and to establish more effective channels for ensuring a unified understanding of coordination, integration, and capability development.

In conclusion, an incremental approach to change is believed to be the most effective method for achieving positive outcomes. However, for this approach to succeed, it is essential to educate people about the benefits of change and to gain their understanding and acknowledgement that the changes are for the better and will improve their quality of work life. This can be achieved by increasing performance, efficiency, and effectiveness.

We acknowledge the potential for bias in the responses provided by the respondents. However, we believe that this study can serve as a foundation for further research, with the ultimate goal of developing tailored solutions for city halls that foster a knowledge-oriented culture.

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