

## **Influence of Organizational Culture on Knowledge Management Practices in Inland Revenue Board of Malaysia (IRBM)**

Syahida Yaacob<sup>1</sup>, Mazlina Pati Khan<sup>2</sup>, Irwan Kamaruddin Abdul Kadir<sup>2</sup>, and Mohd Zairul Masron<sup>2</sup>

<sup>1</sup>Human Management Department, Lembaga Hasil Dalam Negeri (LHDN), Cyberjaya, Malaysia

<sup>2</sup>Faculty of Information Management, Univeristi Teknologi MARA, UiTM Selangor Branch, Malaysia

Email: syidashyam@gmail.com, mazlina8001@uitm.edu.my, irwan@uitm.edu.my, zairul.masron@uitm.edu.my

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**Abstract.** Organizational culture distinguishes truly successful businesses from the rest. This paper aims to explore how organizational culture influences knowledge management practices in IRBM. The study identified several characteristics of organizational culture that influence knowledge management practices in IRBM by referring to Denison's Organizational Culture Model. The study mainly used a qualitative approach by using the semi-structured interview with six (6) individuals to explore their perspectives regarding the influence of organizational culture on KM Practices in IRBM. As a result, the study found that employees were unfamiliar with the term Knowledge Management. Thus, this situation required Human Resources (HR) practicing centralize all HR documents, policies, information, and knowledge and making that vital accessible.

**Keywords:** Organizational culture, knowledge management, inland revenue board, library management and information management.

### **1 Introduction**

In recent years, knowledge management has gotten a lot of attention in practice and research for facilitating the creation, storage, transfer, and application of knowledge in organizations. The organizational culture issue has frequently been cited as a significant challenge in knowledge management practices. It is how does organizational culture affect knowledge management? Even though many studies have raised the issue of corporate culture's impact on knowledge management success, few have in-

investigated how this impact manifests itself. This paper explores how organizational culture influences knowledge management practices in the organization. Organizational culture is popular but also a very complex concept that has been identified as an influential factor affecting the successes and failures of organizational change efforts.

The Inland Revenue Board of Malaysia (IRBM), also known as Lembaga Hasil Dalam Negeri Malaysia (LHDNM) is one of the main revenue collecting agencies of the Ministry of Finance. IRNM acts as the government's agent and provides services in administering, assessing, collecting, and enforcing payment of income tax, petroleum income tax, real property gains tax, estate duty, stamp duties, and other taxes as may be agreed between the Government and the Board.

## 2 Literature Review

### 2.1 Organizational Culture

Organizational culture is a pattern of assuming that a person or employee has found, created, or, developed the basis with the intention that the government institution can cope with and overcome the problems that arise (Abduloh et al., 2020; John et al., 2020; Wijoyo et al. 2020). Organizational culture is a system of meaning alongside that adopted by the members of the organization that distinguishes the organization from other organizations, according to Robbins in Sunyoto (2011). In the meantime, according to Badeni (2013), organizational culture is a set of values, assumptions, and standards of behavior that most members of the organization develop and believe as a reference in the management of the organization or the resolution of organizational problems, both internally (increasing efficiency, effectiveness, and integration) and in the face of external problems. Organizational culture is one of the exciting and important issues of organizational behavior (Amin Bidokhti, Makvand, Hosseini, & Ehsani, 2011). Organizational culture indicated the common perception of organizational members that it affected their behavior. Values, symbols, ceremonies, and myths have changed in each organisation. These common values have identified how employees perceive and respond to their world (Rahimnia & Alizade, 2008).

### 2.2 Previous Studies on Organizational Culture

These are articles from journals, previous research papers, and the internet. Several types of research had identified the failures of knowledge management practices.

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Table 1: Journal Analysis Table

Authors/ Year	Title	Research Technique	Method	Findings	Conclusions
Ahmed. M, Shafiq. S (2018)	The Impact of Organizational Culture on Performance: A Case Study of Telecom Sector	Exploratory research technique	Quantitative; approach Questionnaires;	All the dimension of culture influences the different perspective of organizational performance	Managers are characteristics by masculinity which Indicates that they are result oriented and value the outcome.
Alavi, Maryam & Kayworth, Timothy & Leidner, Dorothy. (2006)	An Empirical Examination of the Influence of Organizational Culture on Knowledge Management Practices	Case study Analysis – positivist approach, Exploratory	Semi-structured telephone interview; Transcribed	The influence of culture on the use of knowledge management technologies and the outcomes of such use	a) Deployment of standardized of KM tools will encounter uses due to the presence of assorted local and organization wide cultural values within firms. b) Differences in cultural values within firms will lead to divergents organizational and individual outcomes from KM System use. c) The presence of multiple cultures within a firm suggests that both formalized (top-down) and organic (bottom-up) approaches to KM may coincide within the same firm
Chang, Christina Ling-hsing and Lin, Tung- Ching (2014)	How Knowledge Management Intention Influenced by Organizational Culture and Knowledge Management Culture		Survey; Questionnaires .  Statistical analysis method	A knowledge Management culture positively affects an individual's knowledge management intention in the KM process.	Management needs to develop knowledge procedures the intangible assets, incorporating models of intellectual capital

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Authors/ Year	Title	Research Technique	Method	Findings	Conclusions
Latief, Jefri & Ramadansyah, & Wijoyo, Hadion & Prayudi, Ahmad & Putra, Riyan Sisiawan. (2021).	The influence of work motivation and organizational culture on employee performance	Sampling technique. Non-probability using saturated sampling	Data analysis; multiple linear regression analysis; Observation; Interviews; questionnaires	a) Work motivation and organizational culture simultaneously have a significant effect on employee performance	Work motivation and organizational culture affect the performance of employees
O'Donnell, O., & Boyle, R. (2003)	Understanding and managing organizational culture	The literature reviewed and interviews conducted	Interview;	There is a challenge in developing the understanding into practical measures in the public sector	Developing appropriate measures to address cultural issues in an organization in terms of increasing organizational capability and performance
Pathiranage, Yasas & Jayatilake, Lakmini & Abeyseker a, Ruwan. (2020)	A literature review on organizational culture towards corporate performance	Analysis; Literature Reviews	Literature review synthesized	An organisation's consistency is a reflection of the effectiveness of organizational culture.	Lack of cultural integration between member companies was a primary cause of failure in corporate groups.
Ramya. K, Sowmia Devi. M, Sindhuja. K (2019)	A Study on Influences of Organizational Culture at Golden Cashew Products, Pondicherry		Survey; Questionnaire; primary & secondary data; Stratified random sampling		Employee job satisfaction did not play any role in how they worked in the culture that organization followed
Tulcanaza-Prieto, A. B., Aguilar-Rodríguez, I. E., & Artieda, C. (2021)	Organizational culture and corporate performance in the Ecuadorian environment	4 criteria for organizational culture: involvement, adaptability, consistency and mission	Self-designed ; Online; questionnaire;	A statistically positive relationship between organizational culture and firm performance	Organizational culture components influence corporate performance, and political, economic, and social factors

2.2 The Denison Organizational Culture Model

Many models can be referred to in scientific investigations related to organizational culture, including Edgar Schein's Model of Organizational Culture (E. H. 1990). , Hofstede's Culture Onion (Hofstede and Hofstede, 2005), Handy Model of Organizational Culture (Handy, 1996), Deal & Kennedy Cultural Model (Deal & Kennedy, 1982), Denison's Organizational Culture Model Source (Denison et al. 2003 and more. After a brief review of the scope of this study, the researcher chooses Denison's Organizational Culture to be part of the study framework. The selection of this model is based on the availability and validity of elements of this model toward the organization's nature.

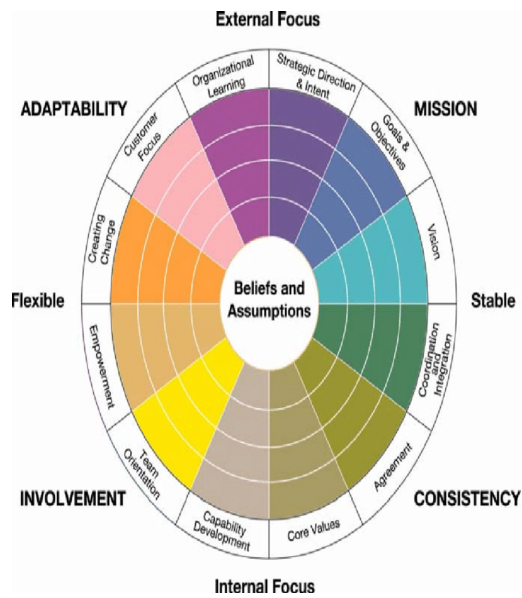


Figure 1: Denison's Organizational Culture Model Source: Denison et al. 2003

### **3 Research Method**

Qualitative research is data obtained in the form of numbers or numbers and collected using specific methods. It is often done using non-statistical methods. This research proposed a single qualitative case study to explore what influence Organizational Culture on Knowledge Management Practices in IRBM. This study takes a positivist approach to the case, which implies that we assume, a priori, that there are discoverable relationships between organizational culture and KM practices behaviors, and outcomes.

The research design for this study is a descriptive and interpretive case study that is analyzed largely through the qualitative research method. Both primary and secondary data are gathered for this thesis. Semi-structured qualitative interviews with managers, executives, and representatives from various positions in the Human Management Department at IRBM, are used to gather the primary data. The secondary data has undergone a thorough evaluation and has been compiled from reliable databases, online sources, and literature. The results from the primary and secondary data obtained will be reviewed and discussed to determine the most significant findings.

The data that is populated from the semi-structured interview transcript answered by the interviewee will be analyzed. To perform the data analysis for this paper, the researcher uses NVivo, which is a Qualitative Data Analysis (QDA) computer software package produced by QSR International that are utilized for this research purpose.

### **4 Finding & Discussion**

The findings of this study show that Knowledge Management has been practiced in IRBM generally, but it seems like Hasilian, refers to the employee not familiar with the term KM itself. HR knowledge management is the practice of centralizing all HR documents, policies, information, and knowledge and making that vital information easy for anyone in the company to access and update from anywhere. By referring to Denison's Model, the study found that;

#### *4.1 Adaptability*

IRBM always ensures their staff is given sufficient training to ensure they have the understanding and responsibility to help customers solve any problem they face. Taxpayers and staff are two groups of customers at IRBM. For HR, the staff is the primary user where they need to be given attention to ensure their needs and desires are met. Management should prioritize their employee right and voice. According to one of the respondents, there are not only internal users but also external users such as taxpayers are also customers who need to be given excellent and satisfactory service.

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IRBM changed a lot in creating an integrated platform for our taxpayers to provide them with easy access to our services, leading to digital and workforce transformation. IRBM has a coaching, training, and group discussion program. Still, my communication with top management and supervisor is essential to deliver the message to everyone in the circle.

### *4.2 Involvement*

It is an effective and innovative organization that enables its members, an established organization based on a workgroup, and develops human resource capacity. All members in the organization were obliged to their job and felt like part of the organization's body. At IRBM, when we talk about engagement and involvement, it is already written in their portfolio and key performance indicator, which will drive everybody beyond the department to work with each other in the broader platform, such as engaging with strategic partners and stakeholders. Management has provided various resources regarding staffing, budgeting, and facilities, and it's up to employees to use these resources to do their part. Subject matter experts (SMEs) from various functions are allowed to deliver the message using a digital platform such as Microsoft teams and webinars. IRBM does have a library for employees to get physical and virtual references. Thus, employees will make use of the information to educate the taxpayers. They also have their training center called Malaysian Tax Academy located at Bangi, Selangor, which hosts by a caliber lecturer who will conduct training for the junior and senior officers.

### *4.3 Mission*

IRBM applies Knowledge Management in many ways such as internal and external sharing session program which involves international companies. To ensure that the mission and vision of the organization are achieved, various initiatives are taken to apply a clear understanding of the direction of the organization. Through information-sharing activities, meetings, visits, benchmarking activities, and many more, the wishes and goals of the organization can be channeled through appropriate platforms.

### *4.4 Consistency*

Organizational culture tends to emerge over time, shaped by the organization's leadership and by actions and values perceived to have contributed to earlier successes. Company culture can be managed through the cultural awareness of organizational leaders and management. Managing a culture takes focused efforts to sustain elements of the culture that support organizational effectiveness. IRBM do have core values and they can be found at every corner of their building physically and virtually. All respondents are aware of that and they can relate it to their daily routines and apply it to their moral values.

## 5 Conclusions

This research primarily focused on the study of the influence of Organizational Culture on Knowledge Management Practices in the Inland Revenue Board of Malaysia. The corporate culture is made up of people and therefore must enterprise be seen as a social system. An essential element of this system is employees about their behavior, thoughts, beliefs, and values influence and form part of the corporate culture. The behavior of employees must be in interaction with values, principles, objectives, and business strategy. Performance is influenced by workplace culture, which influences engagement, enjoyment, and satisfaction. Every aspect of your company has an impact on its personality. Leadership, management, workplace procedures, rules, and individuals are heavily impacted by culture. One of the most significant benefits of an influential corporate culture is its capacity to convert workers into supporters. Employee engagement in their professional responsibilities and interpersonal interactions is subsequently motivated and inspired by this high level of employee involvement result, which boosts productivity. An aura of positivism is brutal to ignore when one feels deeply connected to a company and its employees. A pleasant overall employee experience is produced by organizational culture, which creates a high-performance culture that strengthens the work of individuals within the company.

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