Studying the Relationship between Organizational Forgetting and Situational Leadership Style (Case of study: Qom’s Melli Bank Branches)

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Abstract: During past decades, to improve their competitive situations, organizations have to apply knowledge management in order to keep the present and also the new knowledge. In knowledge management field, organizations have two important responsibilities: in the first stage, organization should achieve such power so that it can learn new knowledge. This part is called organizational learning. Secondly, in some conditions organization should be able to put its organizational knowledge aside strategically and consciously and to displace new knowledge. This part is called organizational forgetting. In the present research, it has been started to study the relationship between strategic organizational forgetting and situational leadership styles. For this purpose, the statistic community of the present study consists of the managers and assistants of 49 branches of Qom’s Melli banks. The results show that there is a positive and meaningful relationship between strategic organizational forgetting and selling, participation and delegation leadership style. On the contrary, there is a negative and meaningful relationship between organizational forgetting and telling leadership style. Also in studying the relationship between demographic variables, there was found no meaningful relationship between education, age and organizational forgetting, but there was a positive and meaningful relationship between job background and organizational forgetting.

Key words: organizational forgetting, telling leadership, selling leadership, participation leadership, delegation leadership.

INTRODUCTION

In 2005, Azmi said that the continuous and expanded changes in environment cause the organizations to be faced with new challenges. These challenges are in a way that even successful companies can’t repeat the success easily by their usual production and technology (Azmi, F.T., 2005). According to the interpretation of Prahaland and Liberthal, This subject has been called the end of Companies’ Empire and the success depends on the integration of markets, innovation, recourse transit and learning new knowledge (Prahalad, C.K. and K. Lieberthal, 2003).

Considering the broad investigations about knowledge management, there are still some ambiguous points and cases in the present discussions about organizational knowledge. The companies not only learn but also forget. In fact, knowledge management is seeking the creation of processes which not only are necessary to learn and keep what is important, but also are necessary for the lack of learning and avoiding what is not important. In fact, we always emphasize on learning and keeping knowledge but our ability in forgetting is as important.

Organizational forgetting is important and essential because of two reasons:

1) Losing organizational knowledge costs millions of dollars for the companies because the lost knowledge means losing abilities and capabilities and then it destroys the capability of organization’s competitiveness. When an organization finds itself in a condition that had some knowledge before and again intends to gain it, it means wasting resources and a kind of doing something twice. In these conditions, not only the time and money spent for these skills and knowledge have been wasted but also would be followed by opportunity expense.

2) Organizational learning mostly depends on organizational forgetting processes. It means that the companies, which intend to change themselves, not only need new abilities but also forget the old knowledge which restricted them in the past. On the other hand, organizations need fast conformity with the environment changes to obtain competitive position in international field and applying quick changes require the organizations have leaders and employees who are flexible and work efficiently, improve the systems and processes continuously and are customer-based. So the environment of modern business necessitates having leaders who can perform wise leadership and make others in the organization trust on him. The ultimate purpose of this affair is guaranteeing the organizational success and optimal operation in global market to compete.

In this study, we try to investigate the relationship between strategic organizational forgetting and situational leadership styles in 49 branches of Qom’s Melli bank.

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**Organizational Forgetting:**

During previous decades, organizations have become broadly aware of the value of knowledge management and a lot of research has been done in knowledge management field. Knowledge management, as one of the most important organizational components, needs founding a system to learn, gathers, keep and spread knowledge inside the organization. Besides spreading organizational learning, this system should be able to prevent beneficial and essential knowledge forgetting and also to put non-beneficial knowledge aside. Despite the need to develop organizational learning capabilities, research has shown that organization don’t always learn easily. Conklin states that naturally organizations tend to forget (Conklin, j., 2001). Forgetting the valuable information’s, techniques and knowledge of organizations can cause losing competitive benefits but in some conditions, this phenomenon is a necessary process in change management (Fernandez, V. and A. Sune, 2009).

Although the meaning of organizational forgetting is simply understandable, the way of its occurring in the organizations hasn’t been recognized well. As organizational forgetting can effect on the competitiveness of the company or organization, the organization needs the correct leadership of some processes so that become sure the knowledge, which should be thrown away, would be forgotten and the knowledge which is beneficial wouldn’t be forgotten. Organizational forgetting isn’t a lack of organization’s ability in learning, sometimes it’s necessary for the organization to put its present knowledge aside strategically and knowingly (Othman Rozhan and Hashim Noor Azuan, 2002) and sometimes the knowledge would be perished unknowingly and by passing time (Tham, et al., 2008). Kransdorff points to a number of researches which shows organizations are completely susceptible to forgetting, because they are unconcerned about forgetting (Kransdorff, 1998).

Among the works which are done alternatively knowledge could be forgotten after a while, the degree of forgetting depends upon the effectiveness of knowledge transfer tool and stopping work time (Tukel, O.I., et al., 2008). Kransdorff also knows organizational forgetting basically as lack of ability in benefiting organization’s knowledge and experiences. In other words, organizational forgetting is the failure of organization in benefiting learning which have happened in the past (Kransdorff, 1998). It should be noticed that organizational forgetting isn’t a lack of ability in learning organizational subjects, but forgetting is a process which happens after learning. It means that an organization first learn knowledge and then forgets it knowingly or unknowingly. Organizational forgetting is the outcome of inter organizational and intra organizational actions in which an organization loses a part of the organization’s present knowledge aware or unaware. This knowledge includes some cases such as skills, methods, processes, experiences, documents and techniques being used in the organization. Organizational forgetting is the consequence of a complex of activities which could have root in inter organizational and intra organizational actions and decisions. Organizations should look at organizational forgetting systematically, aware and with plan to finally achieve some positive results (Besanko, D., et al., 2007).

Organizational forgetting often leads a great amount of expenses on the organization and many countries spend a lot of sources annually to gain knowledge and information (Ozdemir, S., 2010). The most important subject which leads organization toward forgetting is inability in learning and spreading it in organization. The lack of applying knowledge as the result of learning, inability of the company in coding and documenting knowledge and not having stimulation to share it are the most important reasons of forgetting knowledge in companies (Synder, W.M. and T.G. Cumming, 1998). Researchers have developed the meaning of forgetting as a general process of putting useless and ambiguous knowledge aside (Hedberg, Bo., 1981). Other authors have introduced forgetting as a process necessary to remove former ideas to accept more recent ideas. Before organizations try for new ideas and thoughts, they should put aside old ideas by revealing their faults (Nystrom and William H. Starbuck, 3-27). Therefore forgetting has been studied as an essential process for change management (Akgun, A.E., et al., 2007).

**Organizational Forgetting Types:**

In categorizing organizational forgetting, a few studies have been done. Reviewing theoretical literature, it reveals that researchers have paid attention to organizational forgetting from two viewpoints:

1) **The relationship between the forgotten knowledge (new knowledge in front of available and old knowledge) and forgetting outcome (positive and negative outcomes)** (De Holan, P.M., 2004).

2) **The relationship between forgetting (being forgetting aware in front of being forgetting unaware) and forgetting outcome (positive outcome of forgetting in front of its negative outcomes)** (Azmi, F.T., 2005).

From one side, the knowledge which forgets in organizations can be new knowledge for organization or the old and available knowledge of organization. Imagine an organization that firstly accepts entering a definite technology and after a while because of the failure of this technology, puts it aside and forgets the learning’s done in this field. In this situation, organization is facing with the forgetting of a new knowledge to organization. In another side, we can remember an organization that puts aside its long-time knowledge in producing a definite goods and starts producing another production. In this situation, organizations want forgetting its available and old knowledge. These two kinds of forgetting could have positive or negative consequences (De Holan, P.M., 2004).
Some other investigations in organizational forgetting field, aside from knowledge type, have paid attention to the method in which forgetting happens (Azmi, F.T., 2005). In this field, there is a question that whether organization starts forgetting knowingly or it happens without any pre-designed plans. Sometimes organizational forgetting could be beneficial for organization and sometimes it has also some harm for organization. Imagine an organization which loses an important part of its knowledge because of a natural event. It’s usual that the result of this forgetting is harmful for organization. One the contrary, we can mention an organization which puts aside a part of its knowledge and is supplied with modern knowledge that separating from the old knowledge has created a competitive benefit for organization.

De Holan’s categorizing:

Organizational forgetting could be studied from two aspects: the first one is being the forgetting process knowing or unknowing and the second one is being the forgotten knowledge new or old. Knowing forgetting could release organization from non-beneficial results and increases competitiveness but unknowing forgetting is mostly in relation with losing valuable knowledge which could decrease competitiveness and be harmful for the company. New knowledge, before knowing completely, could be easily put aside and thrown away. Considering these two aspects, there are four types of organizational forgetting (see table 1):

Table 1: Organizational forgetting types

<table>
<thead>
<tr>
<th>Knowledge type</th>
<th>Forgetting method</th>
<th>Old</th>
<th>New</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unknowingly</td>
<td>Destroying memory</td>
<td>Inability in gaining knowledge</td>
<td></td>
</tr>
<tr>
<td>Knowingly</td>
<td>Cleaning learning</td>
<td>Avoiding bad habits</td>
<td></td>
</tr>
</tbody>
</table>

1) Destroying memory: this type of forgetting happens when the knowledge, which is saved in organizational memory system, destroys gradually. This kind of forgetting shows unknowingly losing the knowledge which has been saved in organizational memory system and during time loses its quality. To keep organizational memory, some more continuous effort is needed and inattention toward it could cause destroying memory (Martin de Holan, P., N. Phillips, 2004). Destroying memory causes organization lose its important competitive benefits and cost a great deal to reproduce the forgotten knowledge.

2) Inability in gaining knowledge: in this type of forgetting, an organization is unable to keep the new knowledge which has been transferred from outside to organization and has been created inside the organization. In other words, organization is not able to unify it to organizational memory system and consequently, this new knowledge would be lost before saving in organizational memory. In this kind of forgetting, the ability of a manager to solve a problem may be disagreed severely by disregarding the solutions used in the past. In this case, organization is regardless toward exposing new and valuable information to others. Sometimes, outstanding employees take some important information outside organization when they leave there.

3) Cleaning learning: this type of forgetting happens when the knowledge which is present in organization is removed knowingly from organizational memory. From strategic viewpoint, this kind of forgetting may be the most important type, but achieving it is probably so difficult because in this situation, we face with the knowledge which has been saved deeply in organizational memory and removing it causes some problems. This kind of forgetting is as important as learning, especially when the company needs to eliminate the knowledge which reduces its success. Therefore an essential condition to gain new knowledge is that forgetting process is managed well to remove the former knowledge which prevents beneficial changes in organizational memory. In fact, old and inefficient thoughts should be set aside so that better new methods could be applied (Lawrence, T., 2004).

4) Avoiding bad habits: like human beings, organizations can learn bad habits, instructions, deeds, beliefs and values which are harmful for production. Successful organizations are able to forget such knowledge targeted before stabilizing and institutionalizing in organizational memory (De Holan, P.M., 2004). Fernandez and Sune state that organizational forgetting is in relation with innovation. If innovation happens inside organization, it knows forgetting type and if it happens outside organization, it’s unknowing type (Akgun, A.E., et al., 2007).

Leadership:

Leadership and its impact on organization’s efficiency and effectiveness is one of the long-term discussions and different theories have been presented about it, but reviewing the works of management theorists show that they all agree on this matter that derivative leadership is effectiveness on the activities of one person or one group which try to make an aim real in a definite situation. By this definition, it can be proved that derivative leadership is a function of leadership, follow ship and other situational variables. Starting leadership discussions has been with personality theories that is looking for identifying special common characteristics of leaders and believes leaders are born with special characteristics, so the role of education is neglected in creating and
improving leadership and management skills. After that behavioral theories and then demanding theories were introduced. The focus of behaviorists’ attention was the behaviors which leaders show in work environment while contingencies’ gave value to the recognition of environment and acting environmental demands. Likert’s management systems theory is in this group of leadership theories.

**Situational Leadership:**

Hersey and Blanchard showed different styles of leadership:

- **Telling style:** it is used for the situations in which there are low preparations, unable and uninterested employees or employees who are too uncertain in accepting responsibility for a special work. Telling style includes specific guides to behavior about what to do and how to do it. In this style, leaders explain decisions and give the possibility of questioning to remove ambiguities.

- **Selling style:** it is used for below-average preparation. When employees don’t have ability to accept responsibility but they are interested in or they feel sure to do some work. This style is an integration of reinforcement, explanation and telling styles to keep enthusiasm in individuals. In this style, leaders present certain instructions and have minute supervision on the operation.

- **Participation style:** it is used for above-average participation. When employees have the ability to accept responsibility but they don’t tend to or they are too unsure to do some work. As individuals are powerful, so participation style, in which leader emphasizes on mutual relationship and cooperation based on trust, is the most effective style. In this style, leaders authorize employees to make decisions and perform them.

- **Delegation style:** it is used for high preparation. That is, when employees have both ability and tendency or they are sure enough toward accepting responsibility. In this level, employees need a little support and guide so delegation style has the most possibility of succession. In this style, leaders share their thoughts with employees and make the decision easy [18].

**Conceptual Model Of Research:**

Considering the study of theoretical bases and subject background, we can present the conceptual model in the form of number 1, on which the research hypothesis would be formed.

![Conceptual Model of Research](image)

**Research hypothesis:**

In this study, the relationship between situational leadership styles and strategic organizational forgetting has been investigated. As behavioral styles have different characteristics and also some of these characteristics such as changing characteristic in organizational forgetting are observable so some hypothesis were provided as follow:

1. **Hypothesis 1:** there is a meaningful relationship between strategic organizational forgetting and telling leadership.
2. **Hypothesis 2:** there is a meaningful relationship between strategic organizational forgetting and selling leadership.
3) Hypothesis 1: there is a meaningful relationship between strategic organizational forgetting and participation leadership.
4) Hypothesis 1: there is a meaningful relationship between strategic organizational forgetting and delegation leadership.

**Research Method:**
Considering the subject of the study, which is investigating the relationship between strategic organizational forgetting and situational leadership styles in the branches of Qom’s Melli Bank, descriptive correlation method has been used. The statistic community includes 98 managers and employees of the branches of Qom’s Melli Bank. To determine the sample dimension, Cochran formula has been used. In this formula, \( z_{\alpha/2} = 3.8416, d = 0.05, \sigma^2 = 0.036 \) so the sample dimension is 36 and to sample, random cluster sampling method has been used.

In order to gather information, two separate questionnaires have been used to gain informational about strategic organizational forgetting and to evaluate managers’ leadership style. Strategic organizational forgetting questionnaire includes 25 questions and leadership behavior components questionnaire includes 27 questions, considering Likert's five degree scale. In the next level, validity questionnaires were measured. To become sure from validity the research in questionnaire, the ideas of some experts were used. Also to measure the reliability of research, the amount of Cronbach Alpha’s value was calculated. Analyzing the mentioned questions showed that totally the score 74 for the questions of strategic organizational forgetting and 78 for the questions of managers’ leadership style were obtained. After confirming the questionnaires and also with the agreement of the related authorities in Melli Bank, the two questionnaires were enclosed to each other and 36 questionnaires were spread and analyzed statistically.

**Analyzing Data And Findings:**
In this study, at first, descriptive statistics has been used to investigate the qualities and characteristics of statistic sample and then perceptive statistics has been used to analyze the collected data.

**Table 2: Abundances and frequencies of participants**

<table>
<thead>
<tr>
<th>Demographic Variables</th>
<th>Categories</th>
<th>Abundance</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sex</td>
<td>Female</td>
<td>0</td>
<td>%0</td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>36</td>
<td>%100</td>
</tr>
<tr>
<td>Age</td>
<td>20-30</td>
<td>7</td>
<td>%19.4</td>
</tr>
<tr>
<td></td>
<td>31-40</td>
<td>21</td>
<td>%58.3</td>
</tr>
<tr>
<td></td>
<td>41-50</td>
<td>8</td>
<td>%22.3</td>
</tr>
<tr>
<td></td>
<td>51-60</td>
<td>0</td>
<td>%0</td>
</tr>
<tr>
<td>Marriage</td>
<td>Single</td>
<td>0</td>
<td>%0</td>
</tr>
<tr>
<td></td>
<td>Married</td>
<td>36</td>
<td>%100</td>
</tr>
<tr>
<td>Education Degree</td>
<td>Diploma</td>
<td>9</td>
<td>%25</td>
</tr>
<tr>
<td></td>
<td>Associate degree</td>
<td>3</td>
<td>%8</td>
</tr>
<tr>
<td></td>
<td>B.S.</td>
<td>24</td>
<td>%67</td>
</tr>
<tr>
<td></td>
<td>M.S. or more</td>
<td>0</td>
<td>%0</td>
</tr>
<tr>
<td>Job Background</td>
<td>0-10</td>
<td>8</td>
<td>%22.2</td>
</tr>
<tr>
<td></td>
<td>11-20</td>
<td>12</td>
<td>%33.3</td>
</tr>
<tr>
<td></td>
<td>21-30</td>
<td>16</td>
<td>%44.4</td>
</tr>
</tbody>
</table>

For testing research hypothesis, at first correlation test by SPSS 16 software was used to evaluate the correlations between variables. But at the beginning we should become aware of the normality and abnormality of distributing data so that in the next level, we can choose appropriate statistics (parametric or non-parametric). So at first, mono sample of Kolmogorov-Smirnov test was used to gain this aim. Because the obtained sig meaningful value is more than 0.05 so the zero hypothesis based on the normality of distributing factors would be confirmed. According to the results gained from Kolmogorov-Smirnov test, data distribution is normal so parametric test is used to test hypotheses.

**Table 3: Pierson correlation**

<table>
<thead>
<tr>
<th>Strategic organizational forgetting</th>
<th>Telling leadership</th>
<th>Selling leadership</th>
<th>Participation leadership</th>
<th>Delegation leadership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pierson correlation</td>
<td>-0.442</td>
<td>0.662</td>
<td>0.729</td>
<td>0.866</td>
</tr>
<tr>
<td>Sig</td>
<td>0.000</td>
<td>0.002</td>
<td>0.000</td>
<td>0.009</td>
</tr>
<tr>
<td>N</td>
<td>36</td>
<td>36</td>
<td>36</td>
<td>36</td>
</tr>
</tbody>
</table>

Hypothesis 1: studying the relationship between strategic organizational forgetting and telling leadership.
• $H_0$: There is no meaningful relationship between strategic organizational forgetting and telling leadership.
• $H_1$: There is a meaningful relationship between strategic organizational forgetting and telling leadership.

Considering that Pierson’ correlation coefficient, obtained $-0.442$ was calculated and Sig test was $0.000$ and this amount is less than the meaningful level, which is $0.05$, so $H_0$ would be rejected. Consequently, there is a meaningful linear relationship between strategic organizational forgetting and telling leadership. Because the obtained correlation coefficients are negative so the present relationship is reverse.

Hypothesis 2: studying the relationship between strategic organizational forgetting and selling leadership.
• $H_0$: There is no meaningful relationship between strategic organizational forgetting and selling leadership
• $H_1$: There is a meaningful relationship between strategic organizational forgetting and selling leadership.

Considering that Pierson’ correlation coefficient, obtained $0.662$ was calculated and Sig test was $0.002$ and this amount is less than the meaningful level, which is $0.05$, so $H_0$ would be rejected. Consequently, there is a meaningful linear relationship between strategic organizational forgetting and selling leadership. Because the obtained correlation coefficients are positive so the present relationship is direct.

Hypothesis 3: studying the relationship between strategic organizational forgetting and participation leadership.
• $H_0$: There is no meaningful relationship between strategic organizational forgetting and participation leadership
• $H_1$: There is a meaningful relationship between strategic organizational forgetting and participation leadership.

Considering that Pierson’ correlation coefficient, obtained $0.729$ was calculated and Sig test was $0.000$ and this amount is less than the meaningful level, which is $0.05$, so $H_0$ would be rejected. Consequently, there is a meaningful linear relationship between strategic organizational forgetting and participation leadership. Because the obtained correlation coefficients are positive so the present relationship is direct.

Hypothesis 4: studying the relationship between strategic organizational forgetting and delegation leadership.
• $H_0$: There is no meaningful relationship between strategic organizational forgetting and delegation leadership
• $H_1$: There is a meaningful relationship between strategic organizational forgetting and delegation leadership.

Considering that Pierson’ correlation coefficient, obtained $0.866$ was calculated and Sig test was $0.009$ and this amount is less than the meaningful level, which is $0.05$, so $H_0$ would be rejected. Consequently, there is a meaningful linear relationship between strategic organizational forgetting and delegation leadership. Because the obtained correlation coefficients are positive so the present relationship is direct.

Conclusion:

By expanding learning and efficiency of keeping knowledge systems in organizations, more challenges and barriers would be created in managing knowledge. That we can mention the huge cost of keeping knowledge. Knowledge management policy includes a process to reform knowledge so that it could keep and extend the necessary knowledge and identify the knowledge which is not so necessary and use some solutions to remove this knowledge in organization. It’s evident that this matter is and strategic decision in order not to destroy necessary knowledge and qualifications. So the most important dimension of the modern organizations in the degree of their benefiting from knowledge management and transferring it to the organization to gain competitive benefit. On the contrary to the traditional approaches that competitive benefit were considered as important distribution channels and primary materials, at the moment, competitive benefits include intangible resources. Organizational learning management and organizational forgetting management are among these resources.

Nowadays, organizations consider knowledge and the most valuable and strategic resource for themselves and believe that in order to remain competitive, they should manager their capabilities and mental resources. Therefore, in today’s competitive world, the organization will be successful which have allocated more share of organizational knowledge to them, in other words, there is a close relationship between knowledge management and competitive benefit achievement. In another side, organizational forgetting isn’t an exception from this matter as a new concept in knowledge management. In other words, competitiveness has not been presented just about learning and gaining knowledge but it also includes forgetting some matters in proper. In this case,
organizational forgetting, especially strategic organizational forgetting is effective on the competitiveness of an organization and generally, proper managing of organizational forgetting is an unavoidable affair to increase the competitiveness of organizations in today’s rough environment.

The findings about the first hypothesis show that there is a meaningful and reverse relationship between strategic organizational forgetting and telling leadership. So considering that strategic organizational forgetting in modern organizations is considered as a competitive benefit and also considering that the prerequisite of organizations success in today’s competitive environment is human force with high puberty, so leaders should put telling leadership style aside in organizations so that the positive outcomes of strategic organizational forgetting help organizations reach their policies. The second hypothesis shows that there is a meaningful and positive relationship between strategic organizational forgetting and selling leadership, so it’s necessary for the leaders to start presenting appropriate explanation and reinforcing employees and encourage them to do a planned and knowing effort to review their strategic orientations so that employees forget a part of their knowledge for more efficiency of the organization.

In the third hypothesis, there is a meaningful and positive relationship between strategic organizational forgetting and participation leadership. This finding shows that leaders should help employees to recognize bad habits, instructions. Deeds, beliefs and values, which are harmful for the effectiveness, by creating mutual relations and cooperation based on trust so that they forget such knowledge before stabilizing and institutionalizing in organizational memory. Also the findings about the fourth hypothesis show that there is a meaningful and positive relationship between strategic organizational forgetting and delegation leadership. This hypothesis states that in the conditions where employees have high puberty, to gain new knowledge, it is necessary that forgetting process is managed well so that the former information, which is barrier for beneficial changes, removes from organizational memory. In fact, leaders should give employees the authority to set aside inefficient and old thoughts so that they could apply better new methods.

REFERENCES


