

The Influence of Organizational Forgetting on Organizational Performance: Evidence from Pharmaceutical Industry in Egypt

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Abstract

Purpose: The purposes of this paper are to determine the impact of Organizational Forgetting on Organizational Performance (OP) at pharmaceutical industry in Egypt.

Design/methodology/approach: The present study is conducted by descriptive-survey method and its population consists of employees at Sadat University in Egypt. 240 standard questionnaires were distributed of which 200 questionnaires (83%) were returned. To gather data, OF questionnaire devised by Fernandez & Sun, (2009) and Moshabbeki et al., (2012), and OP questionnaire devised by Darroch, 2003; Pathirage, et al., 2007; and Chen & Mohamed (2008) are used.

Findings: The research confirmed a conceptual model for OF. Moreover, research results showed that there is a meaningful relationship between OF and OP. Results of this research suggest managers to develop their capacity of Knowledge Management (KM) in order to improve their OP. The improvement will be gained when learning process has been done through intentional OF.

Research limitations/implications: This research helps to stimulate scientific research, particularly in terms of testing the model content, as well as studying the study variables and the factors affecting them. This study also has some limitations. First, this paper just focuses on organizations to find new perspective for the OF literature. Second, because of the scope of this research, interviewees are limited to individuals who have knowledge or take any seminars related to field of this sector. Other sectors also must be considered to attain detailed knowledge related to OF because case-specific studies will bring new dimensions to the literature of OF.

Originality/value: First, this study makes a research contribution to the field of OF because studies related to OF consist of conceptual papers. Second, I have introduced two new perspective to the concept of OF through this research paper. Third, forgetting is the necessary counterpart of learning, and that attempts to manage knowledge must also include attempts to manage forgetting.

Keywords: organizational forgetting, organizational performance

1. Introduction

Organizations of different types and sizes face many risks, as they seek to survive in a changing environment (Chong et al., 2009). Perhaps the most dangerous thing facing them is what is known as Organizational Forgetting (OF) which significantly affects the organization's competitiveness. Therefore, organizations are in an urgent need to know the causes and factors affecting them, as well as ways of prevention and treatment. This means that Organizations must manage OF well in order to determine which type of knowledge, whether old or new, must be disposed or retained. In this case, absorption capacity of organizational memory as well as the way of making benefit of it must be taken into account to keep up with constant changes in surrounding environment (Holan et al., 2004).

OF is a metaphor to understand how knowledge decay occurs in organizations (Holan & Phillips, 2004a, 2004b; Tsang & Zahra, 2008). However, it has been ignored by the theoretical literature (Holan, 2011; Besanko et al., 2010), yet organizations have an ability to create new knowledge, retain this knowledge and transfer knowledge to the whole organizations (Argote & Ingram, 2000; Rao & Argote, 2006) and forgetting is another important perspective because organizations are able to forget knowledge (Easterby-Smith & Lyles, 2003).

Many studies and applied researches, which tried to identify the OF, have shown that this variable is among the most important factors affecting functional innovation and learning. (Zeng & Chen, 2010; Esfahani et al., 2012; Mehrabi et al., 2013; Lopez & Sune, 2013).

OF avoiding bad habits, validation is used in knowledge generation. Knowledge Management (KM) should be able to distinguish bad habits from good ones and to create systems which can guarantee the forgetting these habits before that they can be rooted profoundly. Therefore, this phenomenon is seen as a challenge for KM which should be managed (Tabarsa & Mirzadeh, 2012).

The challenge of each organization ensures that this knowledge transfers from person to group level and then to organization level and knowledge transferring. Process encounters to failure. This topic, proposes OF (Tabarsi et al, 2012).

Organizations need to enhance the capacity of KM by efficiently and dynamically monitoring on learning process through OF in order to improve their Organizational Performance (OP) (Moshbeki et al, 2012).

OP is indicator of an organization's ability to achieve its goals. One method of evaluating organizational performance in management is balanced score card (Moshabaki, et al., 2012).

Organizations should attain the level of adequacy in which they are able to forget useless and ineffective knowledge before learning new useful knowledge. OF can bring considerable expenses for organizations but it should be managed in order to be successful in OP improvement (Kransdorff, 1998).

OF and OP are very important subjects for organizations to reach the desired objectives. In this context, our study focuses on the relationship between OF and OP. The study is structured as follows: Section one is introductory. Section two presents the literature review. Section three discusses the research methodology. Section four presents the hypotheses testing. Section five explains the research findings. Research recommendations will take place at section six. Conclusion will be provided at the last section.

2. Literature Review

2.1. Organizational Forgetting Concept

Forgetting is a general process of putting useless and ambiguous knowledge aside (Hedberg, 1981). Forgetting is 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 & Starbuck, 1984).

The way to unlearn during an organizational crisis is by removing top managers as a group. This is because top managers are bolstered by previous successes and adamantly cling to their beliefs and perceptions therefore rationalizing their organizations' failures. Change in ownership is often another trigger of forgetting (Markoczy, 1994).

Forgetting is able to add a new and important aspect to our conception on organizational knowledge dynamism although it needs a special broad plan. Forgetting means to put aside old knowledge to create a new room in order to acquire new knowledge before, during and after learning processes. Forgetting has an important impact on effectiveness of organizational learning processes (Holan & Phillips, 2004).

Forgetting means to forget old knowledge to create a new environment to acquire new knowledge during and after learning processes. Also, forgetting has an important impact on the effectiveness of learning processes in the organization (Halen & Phillips, 2004).

Forgetting has the potential of adding new important dimensions to our mind. Conditions such as environmental disturbance cause existing memory to be a challenge for information management. Therefore, shattering and renewing some parts of organizational memory is necessary. Forgetting is a main part of organizational dynamism and the relationship between OF and its dynamism is clear and obvious. Furthermore, forgetting play a key role in effectiveness of learning in an organization (De Holan & Phillips, 2003, 2004b).

Forgetting can be divide into two planned and unplanned forms. Planned forgetting is an intentional and active initiative in which existing organizational information and knowledge is put aside. On the other hand, unplanned forgetting is a passive and unintentional activity by which organizational critical knowledge and information are forgotten (De Holan & Phillips, 2004; Azmi, 2005).

Forgetting has been studied as an essential process for change management (Akgun, et al., 2007). Forgetting valuable information, techniques and knowledge of the organization can lead to lose competitive advantages while in some cases (De Holan, 2004; Fernandez, & Sune, 2009).

OF is critical for three reasons (1) simply being able to create new knowledge in an organization, or transfer needed knowledge from another organization, is not enough. Instances in which new knowledge disappears before it has been successfully transferred to the organization's memory have been documented. Avoiding forgetting acquired knowledge is therefore a critical part of organizational learning (Day, 1994), (2) organizations sometimes forget things that they need to remember. Despite being transferred to memory, organizational knowledge decays over time and critical pieces of organizational knowledge may eventually be forgotten (Darr, et al., 1995), and (3) forgetting is sometimes an organizational necessity, such as when a new dominant logic needs to replace an old one. In this case, a failure to forget prevents new knowledge from being put into practice and reduces organizational effectiveness (Bettis & Prahalad, 1996, Lyles, 1992).

OF has three contexts (1) researches indicate that creating or transferring knowledge is not enough because knowledge is able to disappear before transmission to long-term memory via documentary (Day, 1994), (2) organizational memory decays over time and knowledge can be forgotten if the memory is not maintained (Holan & Phillips, 2004a, 2004b; Benkard, 1999, Argote, 1999), and (3) some writers emphasize forgetting is an organizational necessity to adapt organizational changes (Lyles & Schwenk, 1992; Prahalad & Bettis, 1986).

OF basically as lack of ability in benefiting organization's knowledge and experiences. In other words, OF is the failure of organization in benefiting learning which have happened in the past (Kransdorff, 1998).

OF is incapability in benefiting knowledge and past experiences of the organization. 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, & Cumming, 1998).

OF 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 & Hashim, 2002).

OF is the intentional or unintentional loss of organizational knowledge at any level (Martin & Phillips, 2003).

OF is a concept of numerous and varied effects negatively and positively. It may be an intentional forgetting which seeks change acquisition, re-acquisition of knowledge, and abandonment of unneeded knowledge by the organization or in other words, reconstructing some parts of organizational memory. It is a positive loss of organizational knowledge (Holan et al., 2004).

OF lead to increase competition and to eliminate unfruitful elements of knowledge (Holan, 2004).

OF might be unintentional in terms of losing part of the knowledge. Therefore, an organization would become unable to carry out some of the activities which it has been able to do previously. This kind of forgetting is often detrimental to the organization as it happens when the Organization is unable to retain a portion of new knowledge in its own memory system. OF is the voluntary or involuntary loss of organizational knowledge. In other words, OF is loss of organizational knowledge voluntary or involuntary which can lead to changes in the organization capabilities (Halen & Phillips, 2004).

OF is an important and critical phenomenon which is not conceived well and is not as simple as learning. Overall, forgetting can be categorized into two groups: random (unintentional) forgetting which is damaging and objective (intentional) forgetting which can be profitable (Martin de Holan, 2004).

OF is the basic need for learning new organizational knowledge. This kind of forgetting requires design and time. Organizational performance can be a direct or indirect function of OF. An organization will not learn new knowledge without forgetting previous knowledge (Holan, Philips & Lawrence, 2004).

OF includes voluntary or involuntary loss of organizational knowledge can lead to change in organizational capabilities (Moshbeki, et al 2007).

OF is an important phenomenon in organizations. One strategy of successful managers for achieving and keeping competitive priority is paying attention to knowledge capitals of their staff. OF can be explained as losing organizational knowledge (intentional or accidental) (Lin & Kuo, 2007).

OF 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. OF 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. OF 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 OF systematically, aware and with plan to finally achieve some positive results (Besanko, et al., 2007).

OF has been studied mainly from two standpoints. The first standpoint sees accidental or unwanted forgetting as a degradation of the stocks of organizational knowledge. The second standpoint considers forgetting as an intentional process of unlearning preceding organizational learning (Fernandez & Sune, 2009).

OF is a powerful tool for the management of organizational knowledge by gaining appropriate knowledge and discarding the inappropriate ones. OF is necessary in organizations regarding to the turbulent environment (Jiang, et al., 2010; Bagherzadeh et al, 2010).

OF is the process of transformation from old to new knowledge within the organization (Jiang, et al., 2010).

Although the concept of OF is easy to understand, but it is not recognized well how its mechanism occurs. As OF can effect on organization competitiveness, organization needs processes to ensure that whether knowledge it is forgotten and whether knowledge is useful, it is not forgotten (Hosseini et al, 2010).

OF is a changing learning process and learning in organizational memory, one process of leaving deliberated memory and a process of destroying and rebuilding some parts of organization. In last years the OF took attention of many researchers (Jian & fu, 2010).

OF 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, 2010).

OF is the challenge for managers in the new age of business. The most important subject which leads to the forgetfulness, inability to obtain and disseminate learning organization. Failure to apply the knowledge gained from learning disabilities to participate in coding and documentation, and lack of motivation for sharing knowledge, it is the most important OF (Saynder & Keming, 1998; Jalali & Khosravani, 2010).

OF is the organization's inability to accomplish some of the activities it was previously accomplishing, because of losing some of its organizational knowledge which would considerably affect its competitiveness (Moshabbeki et al., 2011).

OF is removing routines and understanding this subject that these routines would not be useful for a long time and create problems towards learning more needs of organization. OF includes process that organizational delete old regulations and behaviors by them and create opportunity for new knowledge (Akhavan and et al, 2011).

OF has been examined as loss of organizational knowledge which is not planned or intended (Easterby-Smith & Lyles, 2011).

OF is the loss of gained organizational knowledge intentionally or unintentionally. This depends on absorptive capacity of organizational memory and organization desire to become more competitive. Thus, the simple notion of organizational forgetting is the intentional or unintentional loss of organizational knowledge. This significantly affects the organization's status and competitiveness. OF is the loss of a portion of current organizational knowledge in terms of the methods, processes, expertise, documents and traditional techniques used in the organization (Esfahani et al., 2012).

OF is the loss of retained knowledge (Holland et al., 2004). It is the process of avoiding ancient unnecessary knowledge in order to acquire new knowledge (Besanko et al., 2007). OF is a purposeful or unintentional loss of knowledge at any organizational level (Fernandez & Sune, 2009).

OF is the process of transformation from old knowledge to new knowledge. In other words, OF means that the organization does consciously or unconsciously lose part of knowledge which has been previously retained (Moshabbeki et al., 2011). OF is the organization's inability to take advantage of knowledge available in its organizational memory (Esfahani et al., 2012). It is a voluntary or involuntary loss of organizational knowledge. (Jain, 2013).

OF is an attempt for directing of values, organizational treats by use of changing the subjective structures, mental models, logical structures and main theories that direct treats, (Goudarzvand, 2014).

OF is an important and vital phenomenon that is not realized well and is not simple same learning (Jena et al, 2014).

OF means throwing away the old routine to accept the new ones. According to this definition, first, it is assumed that forgetting is an essential principle for new learning, and secondly, it has the features of targeted forgetting, thirdly, the new routine is superior to old ones. Finally, to accept that forgetting does not occur after teach (Tsang & Zahra, 2008; Salvati et al, 2014).

2.2. Organizational Forgetting Dimensions

2.2.1. Intentional Organizational Forgetting (IOF)

Purposeful OF is a preliminary step to the process of organizational learning, as learning cannot happen unless there is a purposeful forgetting of the new organizational knowledge. Therefore, forgetting is a necessary process for the management of change that is no less important than functional learning in order to achieve the organization's competitive advantage (Zeng & Chen, 2010). OF can be divided into:

1. Removing old knowledge in the organizational memory deliberately or purposefully, because of being unneeded by the organization or obstacles its development. This can be achieved through the staff efforts (Fernandez & Sune, 2009; Esfahani et al., 2012).
2. The ability to acquire new and useful knowledge and keep them in the organizational memory, as this leads to the competitive advantage of the organization (HoJan et al., 2004).

2.2.2. Unintentional Organizational Forgetting (UOF)

This kind of forgetting happens when the organization is unable to retain new knowledge in its memory system. It also happens in terms of losing knowledge stored in organizational memory with the passage of time. In this case, the OF is unintentional and is often harmful to the organization as it reduces its competitive advantage. (Holan et al., 2004) Unintentional OF can be divided into:

1. Organizational memory deterioration, or in other words forgetfulness of some of the knowledge that has been previously kept in the organizational memory. This does affect the organization's competitiveness. To face this problem, the organization incurs substantial costs to develop its forgotten knowledge and regain its competitiveness. (Holan et al., 2004).
2. Inability to retain new knowledge in the organizational memory system. To face this problem the organization incurs substantial costs to add the new knowledge to that existing in the organizational memory. (Holan et al., 2004).

2.3. Organizational Performance

In English, the term "performance" is derived from "to perform" which means "doing work, achieving a mission or realizing a given activity. It is a reflection of the organization's ability and aptitude to realize its goals (Eccles, 1991).

OP is the ability of the organization to achieve its long-term goals (Robins & Wiersema, 1995). It is that which exceeds the normal average performance, besides being a part of a series of excellent performance (Privett, 1983).

OP is a determinant of its very existence. Systematic or abrupt decline in OP level may lead to organizational death or mortality (Baum & Singh, 1994), a situation that occurs when an organization fails, closes down its operations, and disbands its constituent elements (Carroll & Delacroix, 1982).

Despite the large corpus of research and studies on OP, no agreement on the concept of OP is found. In spite of this difference, most researchers express their OP through the success achieved by the organization in achieving its objectives. OP is a reflection of the organization's ability to achieve its goals, or in other words, the organization's ability to achieve long-term goals (Miller & Broamiley, 1990).

OP can be defined as a combination of resources, capabilities of the organization that are being used efficiently and effectively in order to achieve its objectives (Collis & Montgomery, 1995).

OP is the level of the outputs of the organization after conducting operations on its inputs. OP is the output of the activities that occur within the organization (Wit & Meyer, 1998).

Hence, after a thorough review of the different concepts of OP, it can be argued that OP in its simplest form is the desired results which the organization seeks to achieve efficiently and effectively.

Darroch (2003) maintains that the dimensions of OP are in two basic dimensions of OP. They can be explained as follows:

- First: *Comparative Performance* refers to the understanding of the different categories of employees to the level of profitability of the organization where they work, the market share, and the level and speed of growth of the organization compared to organizations working in the same area.
- Second: *Internal Performance* refers to the understanding of the different categories of employees to the level of the OP to which they belong in the short term and long-term, and also the possibility of achieving the OP targets set for the organization, both in the short term and long term.

3. Methodology

3.1. Research Model

The conceptual model is presented in Figure (1). The diagram below shows that there is one independent variable of OF. There is one dependent variable of OP. It shows the rational link between the two types of observed variables.

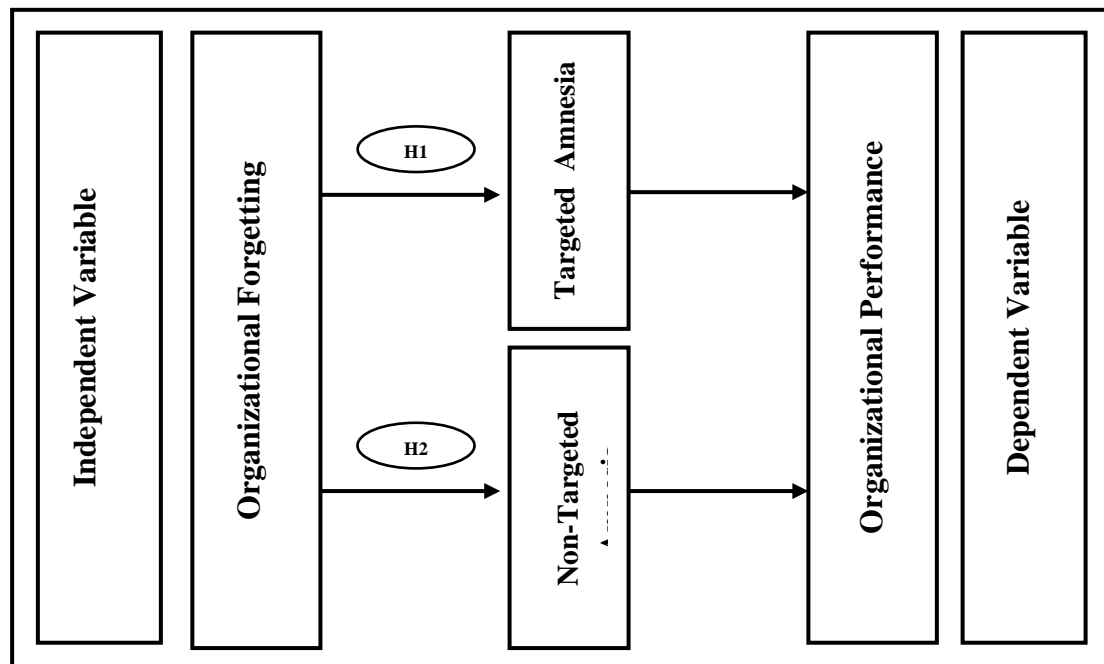
The research framework suggests that OF plays a significant role in affecting OP. In other words, there is a relationship between OF and OP.

So, investigating the relationship between OF and OP is attractive to test it at the Egyptian environment.

OF is measured in terms of targeted amnesia and non-targeted amnesia (HoJan et al., 2004; Fernandez & Sun, 2009; Zeng & Chen, 2010; Moshabbeki et al., 2011; Esfahani et al., 2012).

OP measured consisted of comparative performance and internal performance (Darroch, 2003; Pathirage, et al., 2007; and Chen & Mohamed, 2008).

Figure (1)
Proposed Comprehensive Conceptual Model



3.2. Research Questions and Hypotheses

The researcher found the research problem through two sources. The first source is to be found in previous studies, and it turns out that there is a lack in the number of literature reviews that dealt with the analysis of the relationship between OF and OP. This called for the researcher to test this relationship in the Egyptian environment. The second source is the pilot study, which was conducted in an interview with (30) employees in order to identify the relationship between OF and OP. The researcher found several indicators; notably the important and vital role that could be played by OF. As a result of the discussions given above, the research questions are as follows:

Q1: What is the nature and extent of the relationship between OF (IOF) and OP at pharmaceutical industry in Egypt.

Q2: What is the nature of the relationship between OF (UOF) and OP at pharmaceutical industry in Egypt.

There are studies in literature that study OF and OP factors separately and within the frame of bilateral relation, there is no study that examines these factors collectively at the Egyptian environment. This study aims to contribute to the literature by examining the research variables collectively and revealing the interaction between the research variables. As a result of the discussions given above, the following hypotheses were developed to test the effect of OF and OP at pharmaceutical industry in Egypt.

H1: OF (IOF) of employees has no statistically significant effect on OP at pharmaceutical industry in Egypt.

H2: OF (UOF) of employees has no statistically significant impact on OP at pharmaceutical industry in Egypt.

3.3. Population and Sample

The population of the study included all employees at pharmaceutical industry in Egypt. The total population is 4783 employees. Determination of sample size was calculated using the formula (Daniel, 1999) as follows:

$$n = \frac{N \times (Z)^2 \times P(1-P)}{d^2 (N-1) + (Z)^2 \times P(1-P)}$$

The number of samples obtained by 356 employees at pharmaceutical industry in Egypt in Table (1).

Table (1) Distribution of the Sample Size

Egyptian Pharmaceutical Companies in Egypt	Employees	Percentage	Sample Size
1. Delta for the Pharmaceutical Industry	1500	31.4%	356X 31.4% = 112
2. Egyptian International Pharmaceutical Industries (Eipico)	1833	38.3%	356X 38.3% = 136
3. Pharma Sweden	850	17.8%	356 17.8% = 63
4. Egypt Otsu	350	7.3%	356X 7.3% = 26
5. Egyptian Chemicals and Drugs	250	5.2%	356X 5.2% = 19
Total	4783	100%	356X 100% = 356

Source: Personnel Department at Pharmaceutical Industry in Egypt, 2018

Table (2) describes some of the features of the respondents at pharmaceutical industry in Egypt who participated in the survey.

Table (2) Characteristics of Items of the Sample

Variables		Number	Percentage
1- Job Title	Physicians	120	42%
	Nurses	135	47%
	Administrative Staff	30	11%
	Total	285	100%
2- Sex	Male	110	39%
	Female	175	61%
	Total	285	100%
3- Marital Status	Single	100	35%
	Married	185	65%
	Total	285	100%
4- Age	Under 30	110	39%
	From 30 to 45	100	35%
	Above 45	75	26%
	Total	285	100%
5- Educational Level	University	185	65%
	Post Graduate	100	35%
	Total	285	100%
6- Period of Experience	Less than 5 years	90	32%
	From 5 to 10	80	28%
	More than 10	115	40%
	Total	285	100%

3.4. Procedure

The present study has drawn on the questionnaire method for collecting primary data necessary for the study. The questionnaire list is interested in recognizing OF and OP at pharmaceutical industry in Egypt.

The questionnaire used in the questions list included four pages, besides the introductory page addressing informants. It aims at introducing them to the nature and aims of the study, besides gaining their cooperation for answering the questions in the list. The questionnaire included three questions, relating to OF, OP and biographical information of employees at pharmaceutical industry in Egypt.

Data collection took approximately two months. About 356 survey questionnaires were distributed by employing diverse modes of communication, such as in person and post. Multiple follow-ups yielded 285 statistically usable questionnaires. Survey responses were 80%.

3.5. Data Collection Tools

3.5.1. Organizational Forgetting Scale

The present study has investigated OF as an independent variable. The researcher will depend on the scale developed by HoIan et al., 2004; Fernandez & Sun, 2009; Zeng & Chen, 2010; Moshabbeki et al., 2011; and Esfahani et al., 2012 in measuring OF, which has been divided into two elements (IOF and UOF).

The 19-item scale OF section is based on HoIan et al., 2004; Fernandez & Sun, 2009; Zeng & Chen, 2010; Moshabbeki et al., 2011; and Esfahani et al., 2012. There were twelve items measuring IOF and seven items measuring UOF. The survey form is used as the main tool for data collection in measuring OF at pharmaceutical industry in Egypt.

Responses are categorized using a 5-point Likert Scale for each statement, ranging from (1) “very ineffective”, (2) “ineffective”, (3) “neither effective nor ineffective”, (4) “effective”, and (5) “very effective”.

3.5.2. Organizational Performance Scale

The researcher will depend on the scale developed by Darroch, 2003; Pathirage, et al., 2007; Chen & Mohamed, 2007; and Lurdvall & Nielsen, 2007 in measuring OP, which has been divided into two main components (the comparative performance and the internal performance). The 7-items scale of OP section is based on Darroch, 2003; Pathirage, et al., 2007; Chen & Mohamed, 2007; and Lurdvall & Nielsen, 2007. There were three items measuring comparative performance, and four items measuring internal performance.

OP has been measured by the five- item scale of Likert of agreement or disagreement where each statement has five options. The informant should select the answer that suits his choice, where (5) indicates full agreement while (1) indicates full disagreement, with neutral degrees in-between.

3.6. Data Analysis

The researcher has employed the following methods: (1) Cronbach's alpha or ACC, (2) (MRA), and (3) F- test and T-test. All these tests are found in SPSS.

4. Hypotheses Testing

4.1. Evaluating Reliability

The reliability of OF and OP were assessed to reduce errors of measuring and maximizing constancy of these scales. To assess the reliability of the data, Cronbach's alpha test was conducted. Table (3) shows the reliability results for OF and OP.

Table (3) Reliability of OF and OP

Variables	The Dimension	Number of Statement	ACC
OF	Intentional Organizational Forgetting	12	0.855
	Unintentional Organizational Forgetting	7	0.878
	Total Measurement	19	0.707
OP	Comparative Performance	3	0.861
	Internal Performance	4	0.683
	Total Measurement	7	0.859

Regarding Table (3), the 19 items of OF are reliable because the ACC is 0.707. IOF, which consists of 12 items, is reliable because the ACC is 0.855. UOF, which consists of 7 items, is reliable because the ACC is 0.878. Thus, the internal consistency of OF can be acceptable. According to Table (3), the 7 items of OP are reliable due to the fact that the ACC is 0.859. The comparative performance, which consists of 3 items, is reliable since the ACC is 0.861 while the 4 items related to internal performance is reliable as the ACC is 0.683. Thus, the internal consistency of OP can be acceptable. Accordingly, two scales were defined, OF (19 variables), where ACC represented about 0.707, and OP (7 variables), where ACC represented 0.859.

4.2. Correlation Analysis

Mean and standard deviation values related to dependent and independent variables of this study and correlation coefficients between these variables are given in Table (4).

Table (4) Descriptive Statistics and Correlation Matrix of Constructs

Variables	Mean	Std. Deviation	1	2	3
1. Intentional Organizational Forgetting	3.06	0.846	1		
2. Unintentional Organizational Forgetting	3.61	0.763	0.393**	1	
3. Organizational Performance	3.16	0.989	0.859**	0.327**	1

Note: ** Correlation is significant at 0.01 level.

According to Table (4), the first issue examined was the different facets of OF. Among the various facets of OF, those who responded identified the presence of IOF (M=3.06, SD=0.846). This was followed by UOF (M=3.61, SD=0.763).

The second issue examined was the different facets of OP (the comparative performance and the internal performance). Most respondents identified the overall OP (M=3.16, SD=0.989). According to Table (4), OF dimensions have a significant relation with OP. The correlation between OF (IOF) and OP is 0.859. For OF (UOF) and OP, the correlation value is 0.327. Finally, Table (4) proves that there is a significant correlation between OF and OP. So our hypothesis is supported and it can be said that there is a significant and correlation between OF and OP.

4.3. Organizational Forgetting (IOF) and OP

The relationship between OF (IOF) and OP at pharmaceutical industry in Egypt is determined. The first hypothesis to be tested is: *There is no relationship between OF (IOF) and OP at pharmaceutical industry in Egypt.*

Table (5) MRA Results for OF (IOF) and OP

The Variables of OF (IOF)	Beta	R	R ²
1. The possibility of change lies in the cognitive abilities of workers.	0.158**	0.084	0.007
2. The possibility of change lies in the laws and regulations that govern work in the organization.	0.007	0.388	0.150
3. There is relative stability in service delivery methods, in the short term.	0.192**	0.732	0.535
4. There is a tendency to continue actions being performed without any change in working methods.	0.020*	0.176	0.030
5. Possibility of change is available in the organizational culture on a regular basis.	0.029	0.289	0.083
6. There is a possibility of change in the organizational structure.	0.058**	0.750	0.562
7. The knowledge capacity of workers is utilized in order to make fundamental changes in the organization.	0.603**	0.875	0.765
8. Internal innovation is often used to assess or develop services.	0.005	0.608	0.369
9. always walk or consistency on effective ways that lead to success.	0.129**	0.828	0.685
10. The ability to change the working methods of the organization is available.	0.014	0.665	0.442
11. Working methods that previously led to failure are avoided.	0.193**	0.722	0.521
12. There is no culture of fear of leaving the old unsuccessful methods of work.	0.002	0.264	0.069
<ul style="list-style-type: none"> ▪ MCC ▪ DC ▪ Calculated F ▪ Degree of Freedom ▪ Indexed F ▪ Level of Significance 		0.995 0.990 2187.127 12, 272 2.18 0.000	

** P < 0.01 * P < 0.05

Table (5) proves that there is a relationship between OF (IOF) and OP at significance level of 0,000. As a result of the value of R^2 , the 12 independent variables of IOF can explain 99% of the total differentiation in OP level. For the results of a structural analysis of the MRA, the direct effect of OF (IOF) and OP is obtained. Because MCC is 0.995, it is concluded that there is enough empirical evidence to reject the null hypothesis.

4.4. Organizational Forgetting (UOF) and OP

The relationship between OF (UOF) and OP at pharmaceutical industry in Egypt is determined. The second hypothesis to be tested is:

There is no relationship between OS (UOF) and OP at pharmaceutical industry in Egypt.

Table (6) MRA Results for OF (UOF) and OP

The Variables of OF (UOF)	Beta	R	R ²
1. External innovation is often adopted to provide or develop services.	0.102	0.317	0.100
2. Losing of knowledge stored in databases leads to serious results.	0.527 [*]	0.310	0.096
3. Dates of the training programs of personnel development are often spaced.	0.570 ^{**}	0.108	0.011
4. Knowledge gained by employees from the training programs is not used.	0.367 ^{**}	0.192	0.036
5. Workers who have knowledge often leave the organization unexpectedly.	0.203 [*]	0.323	0.104
6. There is a decrease in the number of times of using the existing knowledge of workers.	0.023	0.312	0.097
7. Work methods are often changed without drawing on previous experiences.	0.163	0.229	0.052
<ul style="list-style-type: none"> ▪ MCC ▪ DC ▪ Calculated F ▪ Degree of Freedom ▪ Indexed F ▪ Level of Significance 		0.490 0.240 12.480 7, 277 2.63 0.000	
** P < 0.01 * P < 0.05			

As Table (6) proves, the MRA resulted in the R of 0.490. This means that OP has been significantly explained by the 7 independent variables of OF (UOF). Furthermore, the R^2 of 0.240 indicates that the percentage of the variable interprets the whole model, that is, 24%. It is evident that the seven independent variables justified 24% of the total factors of OP. Hence, 76.7% are explained by the other factors. Therefore, there is enough empirical evidence to reject the null hypothesis.

5. Results

1. There is a statistically significant relationship between OF and OP at pharmaceutical industry in Egypt. In other words, OF has impact on OP by influencing on knowledge management. This direct impact has been confirmed by results of other researchers (Kransdorff, 1998; De Holan, Philips & Lawrence, 2004; Ho, 2011; Moshabaki, et al., 2012).
2. There is a negative relationship between OF and OP at pharmaceutical industry in Egypt. In other words, results of this research show that OF has negative effect on OP. The results are consistent with research conducted by Brunsson, 1998; Lin and Kuo, 2007; Ku, 2011; Santos-Vijande et al, 2011; Moshabaki & Yadegari, 2012.

6. Recommendations

1. Managers should develop their knowledge management in order to improve their organizational performance. This improvement will be obtained when learning process had been done through OF.
2. Organizations should attain the level of adequacy in which they are able to forget useless and ineffective knowledge before learning new useful knowledge. OF can bring considerable expenses for organizations but it should be managed in order to be successful in organizational performance improvement. So, OF is a weakness in utilizing previous knowledge and experiences.
3. Managers should put telling leadership style aside in organizations so that the positive outcomes of strategic OF help organizations reach their policies.
4. Managers should 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.
5. Managers 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.
6. It is necessary that forgetting process is managed well so that the former information, which is barrier for beneficial changes, removes from organizational memory. So, leaders should give employees the authority to set aside inefficient and old thoughts so that they could apply better new methods.

7. Conclusion

Organizations that can acquire more organizational knowledge will be successful. Therefore, organizational learning is extremely important (Kransdorff, 1998). Organizations should attain the level of adequacy in which they are able to forget useless and ineffective knowledge before learning new useful knowledge. OF can bring considerable expenses for organizations but it should be managed in order to be successful in OP improvement. Kransdorff (1998) explained OF as a weakness in utilizing previous knowledge and experiences.

Results of this research show that OF has negative direct effect on OP. However, OF has impact on OP by influencing on organizational learning and knowledge management. It is shown that organizational learning have direct impacts on knowledge management and OP. This direct impact is confirmed by results of other researchers (Lin & Kuo, 2007; Santos-Vijande et al, 2011; Ku, 2011). knowledge management has direct impact on OP. This direct impact has been confirmed by other researchers (Ho, 2011; Lin & Kuo, 2007). Results of present study show that managers should develop their knowledge management in order to improve their OP. This improvement will be obtained when learning process had been done through OF. Organizations should attain the level of adequacy in which they are able to forget useless and ineffective knowledge before learning new useful knowledge. OF can bring considerable expenses for organizations but it should be managed in order to be successful in OP improvement. So, OF is a weakness in utilizing previous knowledge and experiences.

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