

## **THE RELATIONSHIP BETWEEN KNOWLEDGE MANAGEMENT AND IMPROVEMENT OF THE MANAGEMENT FUNCTION OF THE COMPANIES LISTED IN TEHRAN STOCK EXCHANGE**

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### **Abstract**

The purpose of this study is to investigate the relationship between knowledge management to improve the management of industry car manufacturing companies listed in Tehran Stock Exchange. This study aimed to survey with applied goals. The research populations are firms relating to the car manufacturing industry listed in Tehran Stock Exchange. To collect data from a questionnaire of 34 questions was used in the field of knowledge management and performance improvement. Cronbach's alpha coefficient of 0.87 was obtained to indicate the reliability of the questionnaire. To verify the research questions truth of false Pearson coefficient correlation was used. The results show that between knowledge management and improve the management of the companies listed in Tehran stock exchange there is relation.

**Keywords:** *knowledge management, knowledge creation, knowledge sharing, knowledge utilization, knowledge storage, improve performance*

### **Introduction**

Since the mid-1990s, the vast increase in knowledge management literature has emerged this is important because of the increasing importance of knowledge management in organizations. It seems that knowledge is created the most important source of competitive advantage (Phil & Umans, 2007).

Nonako and Takeuchi (1995) stated very simple that Knowledge management is a process by which organizations create value from intellectual property and knowledge-driven deals. Often, creating value requires the sharing of knowledge between employees, departments or other organizations. Successful managers are always use of available intellectual property of organization and have been realized it, But most of these activities are carried unsystematically and structured in such a way that the managers are not sure of the spread of knowledge throughout the organization (Norouzian, 2006).

In recent years, various organizations and companies have begun to join the process of knowledge and new concepts such as job knowledge, knowledge management and organization of knowledge, are indicating of finding this process (Salavati, 2009). Peter

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Drucker, using the words indicates of creation of a new kind of organization that they rules are based on, rather than arm strength, to the strength of mind. According to this theory, the future development of communities can be expected by have greater knowledge. Thus, natural resources cannot be important as knowledge. Knowledge organizations achieve to capabilities to build of a small force that can be of immense power (Alvani, 2000). These organizations are faced with new challenges. The conditions and the competitive environment are too complex and variable. Continuous changes of knowledge have created the new imbalance state for organizations.

Endless flow of knowledge, changes market in the state of continuous changes, which requires organizations to make continuous changes (Salavati, 2009). umans & Phil in a paper have concluded that for emergence of knowledge management in organizations some of the infrastructure required to be installed for the implementation of knowledge management in organizations. It also noted that it is difficult to control, knowledge management, and its outcome. Mirzapur (2009) in his study as knowledge management and organizational performance came to the conclusion that knowledge management can improve organizational performance; therefore, the findings of the present study are consistent with the findings of that investigation.

Ahmadi and et al (2012) has done a research about the impact of KM strategies on innovation and organizational performance in Agriculture Organization of Kohkiluyeh Va Bakhtiari province. Based on the research strategies of knowledge management (documentation, personalization) directly and also indirectly had a positive impact on organizational performance through an intermediary variable organizational innovation. Darvich (2005) conducted a study titled Knowledge Management, Innovation and Institute Performance. Based on the findings of the present study there is a positive relationship between the three components of knowledge acquisition, knowledge dissemination, and responsiveness to knowledge and innovation. The researcher argues that although knowledge is in itself a source but knowledge management within the organization enables people to the use of other resources in the institution and ultimately innovation. Due to the continuous improvement of organizational performance in the light of knowledge management, provides a synergistic force that these forces can support the growth and development opportunities for organizational excellence. Governments and organizations impose too much force and effort in this regard (Francis, 2007). The focus of this study was "evaluating Knowledge management impact on improving management performance in the automobile industry companies listed in Tehran Stock Exchange." Whether applying knowledge management will improve these companies management functions or not?

### **Methodology**

The present study is an initial step to introduce the benefits of knowledge management in order to manage and improve the performance of executives. The standard questionnaire were distributed to gather the necessary knowledge and a questionnaire to assess the performance of the directors of the listed companies in Tehran Stock Exchange, The questionnaire contains 34 items that measure 8 questions for improving management performance and 25 questions to measure the implementation of knowledge management. Therefore, the present study was a survey research method. To reply to a question from the questionnaire Likert 5 scale is used. (Strongly agree, agree, somewhat disagree or totally disagree). It is notable to say that the Cronbach's alpha coefficient was 0.87, so the reliability of the questionnaire is high. To verify the research questions Pearson correlation coefficient was used. The research populations have formed from automobile companies listed in Tehran Stock Exchange which the questionnaires were in their access.

## Findings

### General question;

1. Is there any relation between function improvement of listed companies in stock market and knowledge management?

Table 1: Statistical analysis of the relationship between knowledge management and management performance improve

n	p	r
30	0.000	0.46**

$P < 0/05^*$ ,  $P < 0/01^{**}$

According to that achieved significance level (0.000) which is smaller than the standard level (0/05) and therefore can be said that there is a significant relationship between knowledge management and performance improvement.

### Sub questions

2. Is there any relation between knowledge creation and performance improvement of listed companies in the stock market?

Table 2: Statistical analysis of the relationship between knowledge creation and improvement of management performance

n	p	r
30	0.003	0.35**

$P < 0/05^*$ ,  $P < 0/01^{**}$

According to the above table it can be stated that the achieved significance level (0/003) is smaller than the standard level (0/05). So we can say that there is a significant relationship between the two variables. This means that there is a significant relationship between knowledge creation and improvement, so a positive answer is given to this question.

3. Is there any relation between knowledge sharing and performance improvement in listed companies in the stock market?

Table 3: Statistical analysis of the relationship between knowledge sharing and investment appraisal

n	p	r
30	0.001	0.38**

$P < 0/05^*$ ,  $P < 0/01^{**}$

The obtained results show that the significant regions (0/001) smaller than the standard level (0/05) indicated that there was a significant relationship between knowledge sharing and performance improve. So there is a direct correlation between the two variables (0/38). As a result, a positive answer is given to this question and a direct relationship between the two variables is positive and moderate intensity has been observed.

4. Is there any relation between applying knowledge and performance improvement in listed companies in the stock market?

n	p	r
30	0.000	0.41**

$P < 0/05^*$ ,  $P < 0/01^{**}$

According to the figures in the table above correlation coefficient (0/41) at a significance level of 0.000 hypotheses is confirmed. The value obtained was significantly smaller than the standard 0/05 level. So a positive answer is given to this question. Existence of a direct relationship between the two variables is positive and moderate intensity is observed.

5. Is knowledge storage effective directly in performance improvement of car and spare parts companies?

R	R2	B	T	F	Sig	Durbin Watson
.465	.343	.162	9.346	28.721	.000	1.814

According to statistics, regression and correlation between the results must be pointed out that storage of knowledge and the performance improve there is a high correlation ( $R = 0.465$ ). On the other hand, the statistics show that the independent variable  $R^2 = 0.343$  (knowledge storage) has large impact in explaining the observed changes in the dependent variable (performance improvement). Value obtained for the Durbin Watson statistic is equal to 1.814, because the above range is (1.5-2.5) and, therefore, we can say that in the error component regression model, there is no correlation. It should be noted that the coefficient  $B = 0.162$  indicates that when a unit increases in the proportion of independent variable, dependent variable increases 0.162 units. It is noteworthy that according to the above equation  $F = 28.721$  and 0.000 with a 95% confidence level is significant statistically, so the above question is yes.

### **Conclusion**

The results of this study indicate Knowledge management has a direct and positive relationship with the performance improving of vehicle and parts manufacturing companies listed on the stock exchange. The results showed that the 4 components of KM (knowledge creation, knowledge sharing, knowledge application and knowledge storage) there is a direct relationship with performance improve. According to the results of the analysis of assumptions, a point that should be noted is that Relationship between knowledge management and storage of vehicles and parts manufacturing companies to improve performance is at a high level (46 percent). Improved performance with respect to the knowledge creation, knowledge sharing, knowledge application amount is 35, 38, 41percent. In other words, although knowledge management itself solutions innovate and produce new wealth from knowledge and intellectual capital, But the store of knowledge as a strategic asset of any organization is the most important competitive advantage for organizations. Today, organizations need to create, store and use knowledge as one of the most important factors of growth and development. By store organized knowledge it is provided Quick search and access to information and sharing of knowledge to other employees and thus improves the performance of companies.

Any organization for success and survival, requires knowledge and experience And access to the knowledge and experience is possible using the knowledge acquisition process.

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