The Effect of Knowledge Management on Managers’ Performance of Education Office in Regions 1 and 2 of Kermanshah City

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\textbf{ABSTRACT}

\textbf{Objective:} The purpose of this study is to examine the Effect of Knowledge Management on Managers’ Performance. \textbf{Methodology:} The population is all directors of Education Office in Regions 1 and 2 of Kermanshah City, whose number is 145 people. The statistical population-based Morgan – Kerjie (1970), number is 105 people was chosen as a sample. To select the sample, a simple random sampling method was used. Methodology of the study is descriptive. Standardized questionnaire to collect knowledge management processes and the questionnaire Lee was used. \textbf{Results:} To determine the reliability alpha coefficient was calculated as 0.958, which is indicative of the high level of reliability. For data analysis tests by Kolmogorov - Smirnov, one-sample t-test, multi-regression and Watson – Durbin test by using the software 19 SPSS was used. \textbf{Conclusion:} The results showed that there is the significant and positive effect between Knowledge Management and Managers’ Performance in Education Office in Regions 1 and 2 of Kermanshah City.

1. Introduction

In recent years knowledge management has become an important and critical point in organizations’ success, in a way that their effectiveness depends on timely developing, storing, transferring and employing of knowledge. However, many organizations do not possess the necessary readiness to successfully employ knowledge management. During the past two decades, the increase of data mass in organizations and the necessity of effective use of them in organizational decisions, has led to the emergence of a phenomenon called knowledge management. In today’s industrial world, that is affected by close industrial competition, the necessity of noting quality and price for every service and manufacturing organization have received special attention. In other words, optimal product quality or the final service is no longer counted as a major factor for success in competition and better and more consistent presence in the market rather other numerous and more effective factors are too presented which the most important among them is the customers’ confidence of organizations’ ability in quality consistency for the products they manufacture and release. In truth it can accordingly be said that the main focus from the optimal quality of the final product or service has shifted to the optimal quality of all performances and the procedures that affect quality and price, both throughout the structure of an organization and both software and hardware. Organizations managers that are without systematic outlook knowledge and do no note system inputs do not have the possibility of fulfilling such goals.

1.1 Problem Statement

Draker, by using the words such as, staff, knowledge worker, and knowledge organizations, speaks of the development of a new type of organization in which instead of muscle power, mental power is dominant. Based on this hypothesis in future, the societies will be expected to develop that own more portions of knowledge, not more share of the resources. Knowledge activities were centralized in informational system sections of organizations, but by considering skill and tactfulness of workers, the attention was shifted toward other units. (Piry and Asefzadeh, 2006)

In knowledge management hypotheses institutes, two key questions were identified by Grant, (1996):

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1. What is knowledge?
2. What are the characteristics of knowledge that has important consequences for management?

Answers to these questions are debatable. Investigating these two questions requires two important stages. First, we need a framework for knowledge identification the characteristics of knowledge that have the same important messages for management and researchers and employees. Second stage includes presenting a new path regarding the condition of characteristics that can be controlled and employed in respect with creating value for organization. These two important concepts, present the overall interest and direction of this paper. Therefore, purpose of this study is presenting the important gaps in the current literature by practical investigation of the relationship between knowledge management processes and performance. This study employs a lens of knowledge in practice for investigating the critical characteristics of knowledge has important consequences for managers (McIver et al., 2015).

In this research we attempt to answer three fundamental questions: First the study tries to broaden our understanding of critical aspects of knowledge for management through elaboration and correction of knowledge in practical view. Second this study with the purpose of broadening our understanding of knowledge management processes through identification and investigation of vast selected operations results and innovations for knowledge management in practice. Finally this studies this study with the purpose of defining why and how knowledge management activities lead to performance improvement. In the end we answer the question that what are the effects of knowledge management processes on performance?

1.2 Research Objectives:
1.2.1 Main Objective:
1-To investigate and identify the impact of the Knowledge Management on Managers’ Performance

1.2.2 Minor Objective:
2- To investigate and identify the impact of the Knowledge acquisition on Managers’ Performance
3- To investigate and identify the impact of the Knowledge creation on Managers’ Performance
4- To investigate and identify the impact of the Knowledge Storing on Managers’ Performance
5- To investigate and identify the impact of the Knowledge injection on Managers’ Performance
6- To investigate and identify the impact of the Knowledge Retention on Managers’ Performance

1.3 Research Hypothesis:
1.3.1 Main Hypothesis:
1-there is significant effect between Knowledge Management and Managers’ Performance

1.3.2 Minor Hypotheses:
1- There is significant effect between Knowledge acquisition and Managers’ Performance
2- There is significant effect between Knowledge creation and Managers’ Performance
3- There is significant effect between Knowledge Storing and Managers’ Performance
4- There is significant effect between Knowledge injection and Managers’ Performance
5- There is significant effect between Knowledge Retention and Managers’ Performance

2. Materials and methods

2.1 Research Background
McIver et al., (2015) in his thesis titled the effects of knowledge management processes on performance in Texas University found out that knowledge management processes has a positive and significant effect on performance. Foss and Mahnke, (2002), explained consistent parallelism of one activity in two aspects: loyalty and expansion. For them loyalty is a matter related to weather the deviations of employed method have occurred by previous versions or not. Liao, (2003) have evaluated knowledge management performance in five components knowledge cycle including creation, accumulation, sharing, application and internalization for evaluation purposes and in the end they investigated the solidarity of knowledge management performance with financial components of the organization, which the results showed significant solidarity between them.

Montana and Charnov, (2008) showed that hidden knowledge is considered a very important drive in creativity and innovation process of the organization and plays an essential role as a success factor in a study of knowledge management system evaluation in organizations. Ngai and Chan, (2005) in their research indicated purpose factors and organization, organizational formation, demographic characteristics and the type of organization management view of knowledge management as effective factors of knowledge management success and consequently improvement of organization performance.

Mills and Smith, (2011) also investigated the relationship between knowledge management and organizational performance and knowledge management effective role on organizational performance. Safarzadeh et al., (2012) in a research titled investigating the effect of knowledge management strategies on innovation and organizational performance of healthcare centers in North of Fars province found out that knowledge personalization and coding has a positive effect on innovation and organizational performance. Also these variables have a positive effect on organizational performance through innovation and there is a positive and significant relationship between innovation and organizational performance.
Ansari, (2009) through a research regarding evaluation the effect of knowledge management in creating distinct competitive strategies showed that knowledge management as management’s setup in a systematic way, is capable of acquiring competitive advantage in various sections and be used at competition stage.

Saedi, (2015) in his research aimed to presenting a process model for applying knowledge management based on organizational learning in Iran Khodro company using the hypothesis raised from the data showed that knowledge management development is performed by learning process and organizational resources are elevated in this process, and become pivotal capabilities and competences of the organization.

Madhoushi and Noornejad, (2014) investigated the effectiveness of knowledge management process on Entrepreneurship in small and average businesses in south of Mazandaran in a project. Project’s finding indicated that direct and indirect knowledge sharing and direct knowledge application have a significant effect on Entrepreneurship process.

2.2 Research conceptual model

![Research conceptual model](image)

Figure 1. Research conceptual model

2.3 Research Method:
The current research, in terms of method and type of data gathering, it is descriptive – correlational research. In terms of purpose, it is applied research.

2.4 Statistical Population:
The Statistical Population is all directors of Education Office in Regions 1 and 2 of Kermanshah City, whose number is 145 people.

2.5 Statistical Sample and Sampling method and Sample Size
105 individual statistical samples seemed appropriate but the researcher with the possibility of some of the questionnaires being defaced or incomplete distributed 115 questionnaires in random sampling manner which 105 of them were completely filled. Therefore research sample is comprised of 105 individuals. The reason for selecting this sampling was that population individuals were specified and selected by providing a list of Education office managers of regions 1 and 2 of Kermanshah city; Sampling through simple random method increases the chance of the representativeness of the sample. For this reason we use simple random sampling for questionnaire distribution.

3. Discussion and results

3.1 Investigating research hypotheses

3.1.1 First Hypothesis:
There is significant effect between Knowledge Management and Managers’ Performance

There is not significant effect between Knowledge Management and Managers’ Performance

H0: \( \rho = 0 \)

H1: \( \rho \neq 0 \)
Table 1. Test results of research main hypothesis

<table>
<thead>
<tr>
<th>Test Result</th>
<th>Dependent variable</th>
<th>Independent variable</th>
<th>Error level</th>
<th>Significant level</th>
<th>Standard beta coefficient</th>
<th>Determining Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 acceptance</td>
<td>Performance</td>
<td>Knowledge management processes</td>
<td>0.05</td>
<td>0.000</td>
<td>0.891</td>
<td>0.795</td>
</tr>
</tbody>
</table>

According above table, that significant level is lower than error level, therefore H0 hypothesis is rejected and H1 hypothesis is accepted. Also because significant level (0.000) is lower than (0.05), regression was able to explain changes of both independent and dependent variables to themselves. From the obtained standard beta coefficient of (0.891) it can be inferred that knowledge management processes have positive and significant effect on performance. Because with one unit change in independent variable of knowledge management processes, there will be (0.891) unit of change in performance dependent variable. Due to the obtained determining coefficient (0.795) it can be concluded that 79.5 percent of the workers performance change is affected by knowledge management processes.

3.1.2 First Minor Hypothesis:
There is significant effect between Knowledge acquisition and Managers’ Performance

<table>
<thead>
<tr>
<th>Test Result</th>
<th>Dependent variable</th>
<th>Independent variable</th>
<th>Error level</th>
<th>Significant level</th>
<th>Standard beta coefficient</th>
<th>Determining Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 acceptance</td>
<td>Performance</td>
<td>Knowledge Acquisition</td>
<td>0.05</td>
<td>0.000</td>
<td>0.726</td>
<td>0.528</td>
</tr>
</tbody>
</table>

According above table, that significant level is lower than error level, therefore H0 hypothesis is rejected and H1 hypothesis is accepted. Also because significant level (0.000) is lower than (0.05), regression was able to explain changes of both independent and dependent variables to themselves. From the obtained standard beta coefficient of (0.726) it can be inferred that knowledge Acquisition have positive and significant effect on performance. Because with one unit change in independent variable of knowledge Acquisition, there will be (0.528) unit of change in performance dependent variable. Due to the obtained determining coefficient (0.795) it can be concluded that 52.8 percent of the workers performance change is affected by knowledge Acquisition.

3.1.3 Second Minor Hypothesis:
There is significant effect between Knowledge creation and Managers’ Performance

<table>
<thead>
<tr>
<th>Test Result</th>
<th>Dependent variable</th>
<th>Independent variable</th>
<th>Error level</th>
<th>Significant level</th>
<th>Standard beta coefficient</th>
<th>Determining Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 acceptance</td>
<td>Performance</td>
<td>Knowledge creation</td>
<td>0.05</td>
<td>0.000</td>
<td>0.657</td>
<td>0.432</td>
</tr>
</tbody>
</table>

According above table, that significant level is lower than error level, therefore H0 hypothesis is rejected and H1 hypothesis is accepted. Also because significant level (0.000) is lower than (0.05), regression was able to explain changes of both independent and dependent variables to themselves. From the obtained standard beta coefficient of (0.657) it can be inferred that knowledge creation have positive and significant effect on performance. Because with one unit change in independent variable of knowledge creation, it will be (0.657) unit of change in performance dependent variable. Due to the obtained determining coefficient (0.432) it can be concluded that 43.2 percent of the workers performance change is affected by knowledge creation.

3.1.4 Third Minor Hypothesis:
There is significant effect between Knowledge Storing and Managers’ Performance
There is not significant effect between Knowledge Storing and Managers’ Performance

H0: \( \rho = 0 \)

There is significant effect between Knowledge Storing and Managers’ Performance

H1: \( \rho \neq 0 \)

Table 4. Test results of research third minor hypothesis

<table>
<thead>
<tr>
<th>Test Result</th>
<th>Dependent variable</th>
<th>Independent variable</th>
<th>Error level</th>
<th>Significant level</th>
<th>Standard beta coefficient</th>
<th>Determining Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 acceptance</td>
<td>Performance</td>
<td>Knowledge Storing</td>
<td>0.05</td>
<td>0.000</td>
<td>0.985</td>
<td>0.971</td>
</tr>
</tbody>
</table>

According above table, that significant level is lower than error level, therefore H0 hypothesis is rejected and H1 hypothesis is accepted. Also because significant level (0.000) is lower than (0.05), regression was able to explain changes of both independent and dependent variables to themselves. From the obtained standard beta coefficient of (0.985) it can be inferred that knowledge Storing have positig and significant effect on performance. Because with one unit change in independent variable of knowledge Storing, it will be (0.985) unit of change in performance dependent variable. Due to the obtained determining coefficient (0.971) it can be concluded that 97.1 percent of the workers performance change is affected by knowledge Storing.

3.1.5 Fourth Minor Hypothesis:

There is significant effect between Knowledge injection and Managers’ Performance

There is not significant effect between Knowledge injection and Managers’ Performance

H0: \( \rho = 0 \)

There is significant effect between Knowledge injection and Managers’ Performance

H1: \( \rho \neq 0 \)

Table 5. Test results of research fourth minor hypothesis

<table>
<thead>
<tr>
<th>Test Result</th>
<th>Dependent variable</th>
<th>Independent variable</th>
<th>Error level</th>
<th>Significant level</th>
<th>Standard beta coefficient</th>
<th>Determining Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 acceptance</td>
<td>Performance</td>
<td>Knowledge injection</td>
<td>0.05</td>
<td>0.000</td>
<td>0.871</td>
<td>0.758</td>
</tr>
</tbody>
</table>

According above table, that significant level is lower than error level, therefore H0 hypothesis is rejected and H1 hypothesis is accepted. Also because significant level (0.000) is lower than (0.05), regression was able to explain changes of both independent and dependent variables to themselves. From the obtained standard beta coefficient of (0.871) it can be inferred that knowledge injection have positig and significant effect on performance. Because with one unit change in independent variable of knowledge injection, it will be (0.871) unit of change in performance dependent variable. Due to the obtained determining coefficient (0.758) it can be concluded that 75.8 percent of the workers performance change is affected by knowledge injection.

3.1.6 Fifth Minor Hypothesis:

There is significant effect between Knowledge Retention and Managers’ Performance

There is not significant effect between Knowledge Retention and Managers’ Performance

H0: \( \rho = 0 \)

There is significant effect between Knowledge Retention and Managers’ Performance

H1: \( \rho \neq 0 \)

Table 6. Test results of research fifth minor hypothesis

<table>
<thead>
<tr>
<th>Test Result</th>
<th>Dependent variable</th>
<th>Independent variable</th>
<th>Error level</th>
<th>Significant level</th>
<th>Standard beta coefficient</th>
<th>Determining Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 acceptance</td>
<td>Performance</td>
<td>Knowledge Retention</td>
<td>0.05</td>
<td>0.000</td>
<td>0.586</td>
<td>0.434</td>
</tr>
</tbody>
</table>

According above table, that significant level is lower than error level, therefore H0 hypothesis is rejected and H1 hypothesis is accepted. Also because significant level (0.000) is lower than (0.05), regression was able to explain changes of both independent and dependent variables to themselves. From the obtained standard beta coefficient of (0.586) it can be inferred that knowledge Retention have positig and significant effect on performance. Because with one unit change in independent variable of knowledge Retention, it will be (0.586) unit of change in performance dependent variable. Due to the obtained determining coefficient (0.434) it can be concluded that 43.4 percent of the workers performance change is affected by knowledge Retention.
4. Conclusion

4.1 Main hypothesis conclusion
From the obtained significant level of (0.000) and standard beta coefficient of (0.891) it can be inferred that knowledge management processes have positive and significant effect on performance. Because with one unit change in independent variable of knowledge management processes, there will be a (0.726) unit change in performance dependent variable. Due the obtained determining coefficient of (0.795) it can be concluded that 79.5 percent of the workers performance change is affected by knowledge management processes. This research’s findings is consistent with findings of McIver et al. (2015) and Mills and Smith (2011).

4.2 First Minor hypothesis conclusion
There is significant effect between Knowledge acquisitions and Managers’ Performance. From the obtained significant level of (0.000) and standard beta coefficient of (0.726) it can be inferred that knowledge acquisition have positive and significant effect on performance. Because with one unit change in independent variable of knowledge acquisition, there will be a (0.726) unit change in performance dependent variable. Due the obtained determining coefficient of (0.528) it can be concluded that 52.8 percent of the workers performance change is affected by knowledge acquisition. This research’s findings is consistent with findings of McIver et al., (2015), Montana and Charnov, (2008), and Rajaei Pour and Rahimi, (2008)

4.3 Second Minor hypothesis conclusion
There is significant effect between Knowledge creation and Managers’ Performance. From the obtained significant level of (0.000) and standard beta coefficient of (0.657) it can be inferred that knowledge creation have positive and significant effect on performance. Because with one unit change in independent variable of knowledge creation, there will be a (0.657) unit change in performance dependent variable. Due the obtained determining coefficient of (0.432) it can be concluded that 43.2 percent of the workers performance change is affected by knowledge creation. This research’s findings is consistent with findings of McIver et al., (2015).

4.4 Third Minor hypothesis conclusion
There is significant effect between Knowledge Storing and Managers’ Performance. From the obtained significant level of (0.000) and standard beta coefficient of (0.985) it can be inferred that knowledge Storing have positive and significant effect on performance. Because with one unit change in independent variable of knowledge Storing, there will be a (0.985) unit change in performance dependent variable. Due the obtained determining coefficient of (0.971) it can be concluded that 97.1 percent of the workers performance change is affected by knowledge Storing. This research’s findings is consistent with findings of McIver et al., (2015).

4.5 Fourth Minor hypothesis conclusion
There is significant effect between Knowledge injection and Managers’ Performance. From the obtained significant level of (0.000) and standard beta coefficient of (0.871) it can be inferred that knowledge injection have positive and significant effect on performance. Because with one unit change in independent variable of knowledge injection, there will be a (0.871) unit change in performance dependent variable. Due the obtained determining coefficient of (0.975) it can be concluded that 75.8 percent of the workers performance change is affected by knowledge injection. This research’s findings is consistent with findings of McIver et al., (2015).

4.6 Fifth Minor hypothesis conclusion
There is significant effect between Knowledge Retention and Managers’ Performance. From the obtained significant level of (0.000) and standard beta coefficient of (0.586) it can be inferred that knowledge Retention have positive and significant effect on performance. Because with one unit change in independent variable of knowledge Retention, there will be a (0.586) unit change in performance dependent variable. Due the obtained determining coefficient of (0.434) it can be concluded that 43.4 percent of the workers performance change is affected by knowledge Retention. This research’s findings is consistent with findings of McIver et al., (2015).

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