

## **THE RELATIONSHIP BETWEEN KNOWLEDGE MANAGEMENT AND LEADERSHIP STYLE IN THE OFFICE OF GUILAN PORTS AND SHIPPING**

**\*Soleyman Iranzadeh and Leila Khaleghdoost**

*Azad University in Tabriz, Iran*

*\*Author for Correspondence*

### **ABSTRACT**

In this paper, researchers tend to analyze the effect of knowledge management on social capital at the directorate of ports and maritime of Guilan province. Population of the study includes 703 employees of general directorate of ports and maritime of Guilan province. Taking into consideration the entire population of the office and considering the Morgan table the sample size is 248. Based on this, 280 survey questionnaires using judgmental purposeful convenient sampling method were distributed from which 263 answered questionnaires were gathered from the employees and the information was analyzed thereafter. Results show that there is a significant relationship between knowledge management and social capital. On the other hand, the effect of each dimension and aspect of knowledge management on social capital was analyzed, each of which has different but significant results.

**Keywords:** *Knowledge, Knowledge Management, Social Capital*

### **INTRODUCTION**

In a recent past, access to resources was considered as power and competitive advantage for an organization or a community. This situation has completely transformed over the years and today the major competitive advantage for organizations is their ability in knowledge management (Babolhavaeji and Mehdizade, 2007) as a result, the number of organizations benefiting from knowledge management strategies is increasing rapidly (Armbrecht *et al.*, 2001). In fact, today many large organizations pay attention to knowledge as a significant capital and added value and consider it as an organized indefinite combination of experiences, values, existing information and expert views which works as framework for evaluation and utilization of new experiences and information (Downport and Prozac, 2000). In this regard and in order to take efficient advantage of knowledge to attain organizational goals, one should create a comprehensive discipline of creation, storage, process and promotion for knowledge; so access to knowledge at any required time and place would be possible.

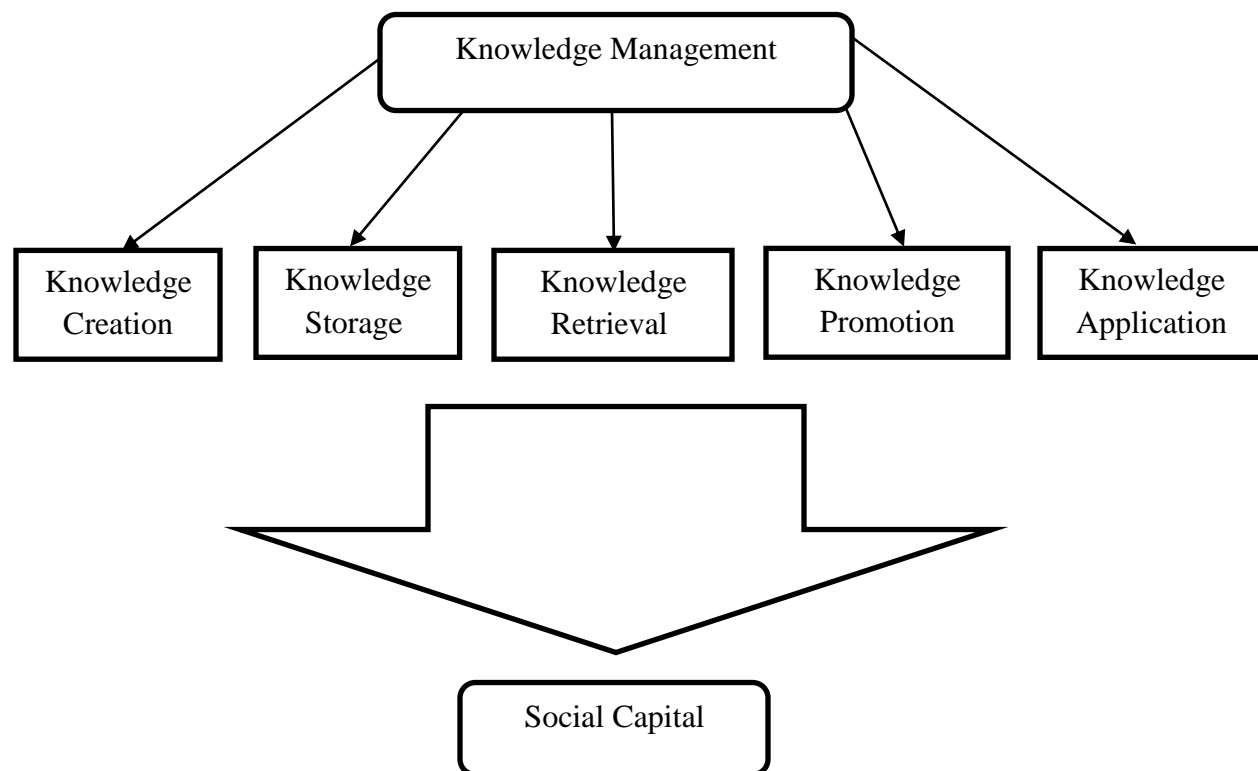
The solution to this issue that has been used in recent years by many organizations and industries is knowledge management (Hicks *et al.*, 2007). Knowledge management is the process of creative, effective and efficient usage of knowledge and information accessible to organization for the advantage of customers and as a result for the benefit of the organization itself (McDonald, 2002). Knowledge management takes knowledge as the most important factor of production and includes activities the objective of which is optimized usage and development of knowledge now and in the future (Brasethvik *et al.*, 2000). On the other hand, organizational success depends on special attention to human resources and satisfying their needs.

Human resources are fundamental capitals of any organization and source of evolution and creativity. As a result, one of the factors to reach organizational success is increasing the social capital of employees. Social capital is the latent wealth and property which results from the mental and psychological preparedness of the individuals in a society to disregard personal benefits and engage in collective action. Social capital is in nature productive and generative, forces people to create value, perform their jobs properly, attain their goals and fulfill their lives' mission. In other words, without social capital no one and no organization can be successful (Nasr *et al.*, 2013). To grow and develop, the basic pre requirement of which is improvement of organizational performance, social capital variables should be known and recognized and be utilized in best possible way (Thomas *et al.*, 2006).

## Research Article

### Theoretical Framework

Knowledge management was first introduced in different industries and operational fields of organizations such as pharmaceutical industries and research and development departments in 1980s and 1990s, but today it is used in other industries and as a part of organizational objectives, it is introduced as the inseparable component of business activities (Grover and Daveuport, 2001). Development of knowledge management is influenced by events in 3 previous periods, namely: information management (which is a focused procedure and approach on ways of information management), quality movement (it is an approach of 80s and 90s which focuses on internal customers, improvement processes and shared objectives), and human capital period (focuses more on financial advantage and investment on human resources using training and learning) (Deilamghani and Mohtarami, 2009). It is fair to say there is no unanimity on providing a single definition of knowledge management and researchers usually define this concept based on their personal experiences, mental backgrounds and field of work (Parik, 2001). Knowledge management refers to activities that are devoted to improve knowledge flow and to influence them. In other words, knowledge management includes a set of activities and processes which attempt to change the current pattern of knowledge flow in order to improve organization's effectiveness and knowledge (Firestone, 2008).



**Figure 1: Conceptual Model of the Research (Momeni and Tarzi, 1392)**

Knowledge management is consisted of systematic and explicit management of vital knowledge and its related processes such as creating, gathering, organizing, promoting, utilizing and exploiting. Knowledge management requires the transformation of personal knowledge into organizational knowledge which is shared widely all over the organization and is used appropriately (Ralph, 2008). Successful utilization of knowledge management in organizations requires careful understanding of theoretical foundations, practical aspects of their implementation and existing obstacles and solutions to them. Obstacles and solutions might exist in human, organizational, cultural, political and technical areas. Its major aspect is human resources; if neglected by organizations it can cause difficulties in goal achievement; so, attention

## Research Article

to human resources is the essential part of knowledge management programs (Kase *et al.*, 2009). Social capital is one of the essential organizational capabilities and properties that can be highly useful in creation and allotment of knowledge in organizations and can result in sustainable organizational advantage compared to other organizations and can support subjective knowledge of individuals. Concept of social capital was first introduced by Hanifan in 1920 and was used again after half a century in 1960 by Jane Jacobs (Bordbar and Zareyi, 2013). Putnam –who is being considered the father of social capital– specifies social capital by 4 characteristics: 1. Existence of social networks, 2. Civil partnership, 3. Local identity, participation and fairness with other members of the community, 4. Trust, support and mutual assistance (Rezvani *et al.*, 2012). Social capital is a service to engage people on how to interact with one another and how this social interaction in itself provides social and individual benefits (Brunei, 2009). Putnam defines social capital as a set of concepts such as: trust, norms and networks which causes communication and optimized participation of members of a community and eventually will provide mutual interests (Putnam, 2001). Putnam's researches showed that in creating stability, and effectiveness of governments as well as economical development, social capital is more important than physical and economical capitals (Hauberer, 2011). In this research, it has been tended to analyze the relationship between knowledge management and social capital as two influential factors on competitive advantage and development of organizations. Based on provided matters the conceptual model of the research is shown in the figure (1):

Hypotheses of this research based on the determined variables and taken into consideration the conceptual model; are as follows:

### Major Hypothesis of the Research

There is a significant relationship between knowledge management and social capital among employees of directorate of ports and maritime in Guilan province.

### Minor Hypotheses

1. There is a significant relationship between knowledge creation and social capital among employees of directorate of ports and maritime in Guilan province.
2. There is a significant relationship between knowledge storage and social capital among employees of directorate of ports and maritime in Guilan province.
3. There is a significant relationship between knowledge retrieval and social capital among employees of directorate of ports and maritime in Guilan province.
4. There is a significant relationship between knowledge promotion and social capital among employees of directorate of ports and maritime in Guilan province.
5. There is a significant relationship between knowledge application and social capital among employees of directorate of ports and maritime in Guilan province.

## MATERIALS AND METHODS

### Methodology

This research, based on the explained objectives, is an applied research and based on the research design falls under the category of descriptive research specifically correlative and comparative research. In this research, in order to implement the desired analysis, knowledge management was chosen as independent variable while social capital was set to be the dependent variable. In order to gather the necessary data and information, the survey questionnaire was distributed to and gathered from the population and statistical sample. At this stage data and information were gathered and the SPSS software was used to analyze them.

In order to analyze the research data based on pre-defined goals first, numerical levels and amounts of each variable according to the resulted scores of samples' answers to designed questionnaires is determined. Then, resulted information is explained in the form of statistical numerical characteristics.

In accordance to the main hypothesis of the research which is to examine the relationship between knowledge management and social capital in directorate of ports and maritime in Guilan province, correlation test as is shown in table below shows the correlation coefficient between two variables of

### Research Article

knowledge management and social capital is +68% that explains a direct relationship between these two variables. Also, the coefficient of determination between the two variables is 0.469 or in simpler terms the variable knowledge management can predict social capital by 46.9%.

**Table 1: Correlation Coefficient between Knowledge Management and Social Capital**

Result	Significance Level	Coefficient of Determination	of Correlation Coefficient	Number	
Approval of Hypothesis	0.000	0.469	0.685	263	Knowledge Management and Social Capital

Based on the first minor hypothesis that tends to examine the relationship between knowledge creation and social capital among employees of directorate of ports and maritime in Guilan province, correlation coefficient between knowledge application and social capital is +62.3 % which shows a direct relationship between two variables. At the same time, coefficient of determination between these two variables is 0.388 which indicates knowledge application can predict social capital by 38.8%.

**Table 2: Correlation Coefficient between Knowledge Creation and Social Capital**

Result	Significance Level	Coefficient of Determination	of Correlation Coefficient	Number	
Approval of Hypothesis	0.000	0.318	0.564	263	Knowledge Creation and Social Capital

In consideration of the second minor hypothesis on examining the relationship between knowledge storage and social capital among employees of directorate of ports and maritime in Guilan province, the correlation coefficient between knowledge storage and social capital is +54.7% which implies a direct relationship between two variables. On the other hand, coefficient of determination between these two variables is 0.299 which shows knowledge storage can predict social capital by 29.9%.

**Table 3: Correlation Coefficient between Knowledge Storage and Social Capital**

Result	Significance Level	Coefficient of Determination	of Correlation Coefficient	Number	
Approval of Hypothesis	0.001	0.299	0.547	263	Knowledge Storage and Social Capital

Based on the third minor hypothesis which considers the relationship between knowledge retrieval and social capital among employees of directorate of ports and maritime in Guilan Province, the correlation coefficient between knowledge retrieval and social capital is +66.1% which indicates a direct relation between the two variables. At the same time, the coefficient of determination between these two variables is 0.436; meaning to say that knowledge retrieval can predict social capital by 43.6%.

**Table 4: Correlation Coefficient between Knowledge Retrieval and Social Capital**

Result	Significance Level	Coefficient of Determination	of Correlation Coefficient	Number	
Approval of Hypothesis	0.003	0.436	0.661	263	Knowledge Retrieval and Social Capital

Taking into consideration the fourth minor hypothesis, examining knowledge promotion and social capital among employees of directorate of ports and maritime in Guilan province, the correlation coefficient between knowledge promotion and social capital is +54.5% which means a direct relation

## Research Article

between these two variables. Also, the coefficient of determination between these variables is 0.297 which shows knowledge promotion can predict social capital by 29.7%.

**Table 5: Correlation Coefficient between Knowledge Promotion and Social Capital**

Result	Significance Level	Coefficient of Determination	of Correlation Coefficient	Number	
Approval of Hypothesis	0.000	0.297	0.545	263	Knowledge Promotion and Social Capital

Based on the fifth minor hypothesis that analyzes knowledge application and social capital among employees of the directorate of ports and maritime in Guilan province, correlation coefficient between variables of knowledge application and social capital is +62.3% which indicates a direct relation between the two. At the same time, coefficient of determination between these two variables is 0.388; this means knowledge application can predict social capital by 38.8%.

**Table 6: Correlation Coefficient between Knowledge Application and Social Capital**

Result	Significance Level	Coefficient of Determination	of Correlation Coefficient	Number	
Approval of Hypothesis	0.001	0.388	0.623	263	Knowledge Application and Social Capital

## Conclusion

Results of this research showed that components of knowledge management have a direct relation to and on social capital. Although these effects in different researches might appear differently, this can be due to different reasons including various populations and statistical samples, different time scopes of research implementation, different methods and approaches of operationalization of concepts. However, results of this research indicate that improving knowledge management and each of its aspects is a reason to promote social capital.

On the other hand, existence of social capital and effective interactions among personnel in an organization facilitates creation, storage, retrieval, promotion and application of knowledge. Organizations should increase their efforts to effectively and efficiently manage their social capital in order to promote their level of knowledge management; managers should also provide the essential mechanisms in this regard. On the other hand, strategic focus on methods of human resource management which are positively related to social capital of the organization, can improve and promote social relations among employees, it is due to the fact that methods of human resource management can have a significant effect on organizational social capital in the information processing environment and sharing knowledge among employees.

## REFERENCES

- Armbrrecht Jr EMR, Chapas RB, Chappelow CC and Farris GF (2001).** Knowledge Management in Research and Development. *Research Technology Management* 44(4).
- Babolhavaeji Fahime and Mehdizadeh Ghalee Joogh Lida (2009).** Comparative Analysis of Knowledge Management in Central Libraries of Branches of Islamic Azad University and Subsidiary Universities of Department of Science, Research and Technology in Capitals of Provinces of the Country. *Scientology Quarterly (Library Science and Notification and Information Technology)* (5).
- Bordbar Gholamreza and Zareyi Mahboobeh (2013).** Analysis of the Influence of Organizational Social Capital on Promotion of Level of Knowledge Management in Welfare Organization of Yazd Province. *Applied Sociology* (4).



### Research Article

- Brunie A (2009).** Meaningful Distinctions within a Concept: Relational, Collective, and Generalized Social Capital. *Journal of Social Science Research* **38**(2).
- Deilamghani Mitra and Mohtarami Amir (2009).** Transition Map from Notification Centers to Knowledge Management Centers (Case Study in an Industrial- Research Organization). *Information Science* (24).
- Downport Thomas and Prozac Laurence (1379).** *Knowledge Management*, 1<sup>st</sup> edition, translated by Hossein Rahman Seresht, Iran Khodro Engineering Design and Supply.
- Firestone J (2008).** On doing knowledge management. *Knowledge Management Research and Practice* **G:17**.
- Grover V and Davenport T (2001).** General perspective on knowledge management: Fostering a research agenda. *Journal of Management Information System* **18**(1).
- Hauberer J (2011).** *Towards Methodological Foundation of Social Capital Theory* (Published by Verena Metzger).
- Hicks RC, Dattero R and Galup SD (2007).** A metaphor for knowledge management: islands in a tacit sea. *Journal of Knowledge Management* **11**(1).
- Kase R, Paauwe J and Zupan N (2009).** HR practices, interpersonal relations, and intrafirm knowledge transfer in knowledge- intensive firms: a social network perspective, Article. *Human Resource Management* **48**(4).
- McDonald John (2002).** *Knowledge Management in One Week*, translated by Badri Nik Fetrat (Management Quality Publication).
- Momeni Mohammadreza and Tarzi Ali (2013).** Masteral Thesis titled Codification of Requirements for Implementing Knowledge Management in Social Capital Development Process of Health Center in Isfahan Province.
- Nasr Isfahani Ali and Shabani Naft Chali Javad and Khazayi Pool Javad (2013).** Analysis of the Effect of Perceived Organizational Justice on Amount of Social Capital among Under Studied Employees of Health Center in Noshahr City. *Applied Sociology* (2).
- Parik M (2001).** Knowledge Management Framework for High-tech Research and Development. *Engineering Management Journal* **13**(3).
- Putnam Robert, Democracy and Civil Traditions (2001).** *Italian Experience and Lessons for Transitioning Countries*, 1<sup>st</sup> edition, translated by Mohammad Naghi Delforooz (Salam Newspaper Publication).
- Ralph LL (2008).** An Investigation of a Knowledge Management Solution for Reference Services (Doctoral dissertation, Nova Southeastern University, 2008).
- Rezvani Mehran, Khodadad Hosseini Hamid and Toghrayi Mohammad Taghi (2012).** Concept Mapping of Social Capital in Marketing of Entrepreneurial Agencies: Food Industry. *Human Resource Management Researches* (1).
- Schwartz David and Divitini Monica (2008).** Brasethvik, Terje. *Internet-based Organizational Memory and Knowledge Management* (London Idea group Publishing).
- Thomas J Comings and Christopher J (2006).** *Versey, Development of Organization and Transformation*, 1<sup>st</sup> edition, translated by Koorosh Bararpour (Green Faraz Andish Publication Center).