

THE EFFECTS OF KNOWLEDGE MANAGEMENT COMPONENTS ON MARKETING PERFORMANCE: A CASE STUDY OF EDUCATIONAL CENTERS LOCATED ACROSS GUILAN PROVINCE

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Abstract

In this study researchers have tried to answer this question: “what effects do knowledge creation, knowledge acquisition, knowledge storage, knowledge transfer and knowledge application have on marketing performance?” organizations are constantly influenced by their surrounding environment. In the most of the times, the organization has less control on these factors. An organization can better continue to its survival if it can be able to identify and control these environmental factors. Today, with respect to scientific developments and technology, the environment of organizations becomes more complicated and unstable increasingly. But environmental factors threaten the organizational life. In such a situation, those organizations are successful that not only acquire great knowledge about environmental factors, but also improve the basis of growth and development and enhanced performance of the organization. One of the ways of realization of this objective is knowledge management. The results show that suggested model is validated by 95% confidence level.

Keywords: marketing performance, technology, knowledge creation, knowledge transfer, knowledge acquisition.

Introduction

Organizations are constantly influenced by their surrounding environment. In the most of the times, the organization has less control on these factors. An organization can better continue to its survival if it can be able to identify and control these environmental factors. Today, with respect to scientific developments and technology, the environment of organizations becomes more complicated and unstable increasingly. But environmental factors threaten the organizational life. In such a situation, those organizations are successful that not only acquire great knowledge about environmental factors, but also improve the basis of growth and development and enhanced performance of the organization. One of the ways of realization of this objective is knowledge management (Rajaeepour and Rahimi, 2008). Moreover, during the last two decades, the increased volume of information in organizations and the necessity of effective utilization of them in organizational decisions have led to emergence of knowledge management (Taghizadeh et al, 2007). Knowledge is a multidimensional concept and it is embedded in many corporate identities

such as culture, policies, documents and members of the organization. The objectives of knowledge operations are constant acquisition of relevant knowledge, development of new knowledge through learning, ensuring growth and continued activities in order to maintain crucial knowledge in all levels, applying existing knowledge in all cycles and synergistic combination of knowledge (Raeesi et al, 2012). Knowledge management has received many attentions in industries of different countries and scientific societies and this trend is increasing rapidly, so that knowledge management has a key role in many organizations. The solutions offered by knowledge management will lead to appropriate distribution and application of organizational knowledge in all sections of organization (Ngai & Chan, 2005: 889). Currently, knowledge management has a crucial role in management and economy of the world. With respect to progresses of information technology, many experts of knowledge management try to develop the abilities of knowledge management to derive competitive successes (Lin et al, 2007: 22). While managers perform affairs via other employees, they are dependent on a special tool called knowledge to manage the organizational activities. In an organization, a decision-maker actually process information and today a manger is quite aware that acquisition of the ability of proper storing, processing and displaying information is very crucial in sound decision-making and therefore the importance of knowledge and information becomes evident very well (Mohammadi et al, 2013). Furthermore, managers by their insight and wisdom can have more influence on organization through knowledge management. Knowledge management is the new method of thinking about organization and sharing intellectual resources; it's a method for reaching to productivity, improving performance and reducing the costs. The precise evaluation of the trends of knowledge changes in third millennium indicates that today's industrial world is a society in which the technologies that increase power are gradually substituted by technologies that increase knowledge, hence organizations should continuously apply knowledge in the form of knowledge generation, validation and its application in products and services (Khoshsima et al, 2007).

On the other hand, with respect to the expansion of competition level, complexity of technology, variety of tastes, shortage of resources, and the speed of information exchange, the importance of productivity is obvious to everyone. Productivity is a term that can be evaluated in micro and macro level and it encompass a spectrum from global productivity to personal productivity. In spite of the importance and expansion of the concept of productivity, it is not clear and obvious for many managers any they often limit this concept to their subjective viewpoints. Productivity is the most prevalent discussion of today's managerial meetings. One of the main objectives of scientists and researchers is to fine factors that lead to improvement of organizations' productivity (Mohammadi et al, 2012). The most fundamental characteristic of smart organizations in 21th century is that they emphasize on knowledge and information. Contrary to the past organizations, today's organizations enjoy advanced technologies and they need to acquire and manage knowledge in order to be able to improve marketing performance, management and tracking of endless changes of today world. Knowledge is a powerful instrument that can cause changes in the world and make innovations possible. Davenport and Porsak (1998) consider knowledge management as a systematic approach that incorporate methods for identification, evaluation, organization, storage, and application of knowledge in order to supply the needs and objectives of organization. In this complex situation, in order to exploit the full advantages of knowledge management, we not only should spend required time and money and invest properly, but also we should appropriately establish knowledge management in the organization. Therefore, detecting and removing the barriers of proper establishment of knowledge management in organization can result in benefiting from knowledge management advantages, otherwise the only

result for organization will be the loss of resources (time and money) and falling behind competitors. In fact, evaluating and predicting the risk of each project's implementation is one the scientific foundations of each project's implementation. Therefore, by evaluating the situation of the organization in which we intend to establish the project of knowledge management, we can detect and remove the barriers of proper establishment of knowledge management and benefit from its advantages and save the resources of organization. Hence, with a precautionary approach we can both raise the probability of the project's success and control the costs of the project or even reduce them.

The objective of knowledge management is to change tacit knowledge into explicit knowledge and distribute it effectively. This powerful concept contribute to development of methodology, tools and applications of knowledge management significantly. It results in increased competitive advantage for firms (on a smaller scale) and increased economic growth (on a greater scale), but this result is dependent on the appropriate establishment of knowledge management project in the organizations of the country. Although model-taking of the best things is one of the important techniques for deriving the best operations and experiences in both inter-organizational and intra-organizational dimensions and facilitates the application of useful knowledge and is an unavoidable affair in the quite competitive business environment of global markets, but it is not feasible until organizations begin to establish and implement the programs of knowledge management in their organizations. Based on the findings of Chang, only the organizations that have taken actions for implementing knowledge management can reach this objective (Valmohammadi, 2004).

Background of the research

Bidokhti et al. (2013) have suggested that hierarchical culture does not create the required flexibility in organization and therefore as a result of this factor, the employees of the organization make a habit of existing organizational procedures and have no willingness to innovation and creation of new ideas; on the other hand, they fear of sharing their knowledge with others and transforming this knowledge to skills that can be effective in solving the problems of the organization. Therefore, with respect to the condition that hierarchical culture creates in educational environment, it cannot be a meaningful predictor in knowledge management. In their study, Moghaddam et al. (2011) indicate a subtle point and they argue that one of the main challenges of organizations is understanding knowledge management and the manner of its implementation. Generally we can say that human resources and knowledge management have a close relationship with each other and many plans of knowledge management have failed due to lack of attention to human factor. We can divide the major barriers of knowledge management into five main categories: human factors, organizational factors, political factors, cultural factors, and technical and technological factors. It is important to pay attention to each of these barriers and removing them requires investment. As it was pointed out, the most of the previous studies have tried to identify and detect the barriers of knowledge management establishment and they have less considered the mutual relations between these factors, except those few researches carried out abroad that have used methods such as interpretive structural modeling. The barriers of knowledge management imply the fact that the success in knowledge management requires serious determination by the authorities of organization for removing these barriers. Managers and employees should believe knowledge management and its effectiveness and it is only in this case that they take actions for removing the barriers.

Considering the components of organizational structure, the individual and technology and by studying different views and hypotheses, Keshavarzi and Ramezani (2010) focused on the factors of organizational culture and structure and considered them as a part of the most important effective factors in implementation of knowledge management. With respect to the performed analyses, we can prove that there is a meaningful relationship between the knowledge management components (knowledge creation and knowledge transfer) and the components of organizational culture, innovation, willingness to change, team work and paying attention to the individuals and the components of organizational structure (formalization, complexity, and centralization). Mohammadi (2010) emphasizes in his study that the main factors of success that have less importance than other factors include: information technology, giving reward, creating motivation, and model- taking of the best thing. Although information technologies such as document management systems, search engines, information marketing, relational and object-oriented databases, groupware, work flow systems, and data mining tools are mechanisms that facilitate the implementation of knowledge management but it is important to notice that technology is not the only necessary answer for implementing knowledge management, because as Wang and Spinwal emphasize, technology is just a tool. Accordingly, assigning less importance to this factor by experts is justifiable and finally they consider leadership, top management protection, and organizational culture as the main factors of success. In the studies carried out abroad, researchers not only have addressed these factors, but also have pointed out to subtle points that are very important; some studies have addressed this issue in a systematic manner. Seyed Javadin et al. (1997) have concluded that one the major barriers of knowledge management establishment in organizations is organizational culture and changing this culture is one the most important aspects of each knowledge management system.

The results of a study carried out about Hyundai Motor Company suggest that leading new knowledge will not lead to intended results unless when organizational culture of the organization changes. It is the sentence that managers of Hyundai Motor Company have stated. Daneshfard and Shahabinia (20002) have argued that the results of their studies show that the existing organizational culture is a barrier of knowledge management establishment in the company. The studies of Pavlin and Mason show that the main barrier for establishing knowledge management is organizational culture. March and Jones concluded that in the most of the organizations, the existing organizational culture is not a protective factor for knowledge management. Fadaee et al. (2007) and Zarrati refer to an interesting point and it is that unfortunately, the lack of attention to the distinction between “knowledge management system” and “knowledge management concept” –which is a very subtle distinction- has resulted in the confusion among researchers of relevant studies. This is specially the case in studies that are related to the success factors of knowledge management system. Sometimes, some researchers in evaluating the success factors of knowledge management system have mentioned factors that more consider the overall and conceptual success of knowledge management and do not consider this issue systematically. The top knowledge management is an executive in organization that have responsibility for maximizing acquired organizational values through knowledge. He should also maximize the return of capital in human resources knowledge, processes and intellectual capital, utilization and maintenance of intangible assets (skills, patents, and customer relationships), repeated successes, and development of technology and prevention of the loss of knowledge after reorganization of the organization as the main organizational capital. The skills of a top knowledge manager should include the management of human resources project, relationships, leadership, team work and change management. The lack of attention to the role of manager which is called here as “top knowledge

manager” is quite obvious in the literature of knowledge management system, however, this person is a part of a knowledge management system and actually he forms the main core of this system. The lack of attention to human role in the literature of knowledge management system indicates that the dominant perspective is that in the process of knowledge management, human factor can be substituted by technology and technology has dominated. Knowledge management system won't be able to reach intended success, until we pay enough attention to the role and importance of top knowledge management.

Gilaninia et al. (2011) have carried out a research with the title of “evaluation of the effects of knowledge management dimension on proper urban governance” (case study: Rasht Municipality). The aim of this study is to evaluate the effects of knowledge management dimension on proper urban governance in Rasht municipality. The research method is a descriptive survey. The statistical population includes all employees of Rasht municipality which the number of them is 91 and the sample size is 327, using Morgan's table. The measurement tool of this research is a questionnaire that the researcher has designed it himself. Using Cronbach's Alpha, the reliability of this research was equal to 0/95 percent. The statistical method of this research include t-test, Pearson's correlation coefficient, as well as descriptive statistics. In order to analyze the research data, SPSS software has been used. The results of testing Pearson's correlation coefficient showed that the independent variables of knowledge management dimensions have a high correlation with dependent variable of proper urban governance. Moreover, the results of t-test showed that the variables of knowledge acquisition, organizational learning, knowledge transfer, knowledge storage, knowledge application, and knowledge creation influence on the proper urban governance.

In a research by Mishra (2011) which is titled as “the processes of knowledge management in two learning organization”, he concluded that regarding knowledge management that include knowledge creation, knowledge sharing, knowledge enhancement and knowledge maintenance, two sample organizations have emerged with two concepts of powerful knowledge creation and knowledge barriers. In other word, one organization is powerful with respect to knowledge process and the other one is faced by barriers for creating knowledge. Cheran and Jayasundara (2008) carried out a research about knowledge management in banking industry. They argue that in banking industry, knowledge management contribute to the rapid growth of technology in processes of risk management, customer relationship management, performance evaluation, decision support systems, knowledge storages, and data mining.

In a study with the title of “knowledge management application in validation of administrative decision-making in a military environment”, Ward (2006) showed that knowledge management innovations do not directly manage knowledge management, rather these innovations manage internal and external environment of the organization in order to encourage information sharing in generation of new knowledge and effective presentation of knowledge to decision-makers. In his PHD thesis, Halawey (2005) has carried out a study titled “The success of knowledge management systems in knowledge-based organizations”. This study is aimed to develop a model that can be applied for measuring the success of knowledge management systems in knowledge-based organizations. A successful knowledge management system have the variables of system's quality, Knowledge quality, service quality, willingness to application of system and user satisfaction that measure the success of knowledge management systems. The finding showed that this model has the potential for being applied in future studies of knowledge management systems.

Questions, objectives and hypotheses of the research

Primary objective of the research

Evaluation of the effects of knowledge management components on marketing performance of educational centers located in Guilan province.

Secondary objectives of the research

- Evaluation of the effects of knowledge acquisition on marketing performance of educational centers located in Guilan province.
- Evaluation of the effects of knowledge creation on marketing performance of educational centers located in Guilan province.
- Evaluation of the effects of knowledge application on marketing performance of educational centers located in Guilan province.
- Evaluation of the effects of knowledge storage on marketing performance of educational centers located in Guilan province.
- Evaluation of the effects of knowledge transfer on marketing performance of educational centers located in Guilan province.

Research questions

Primary question of the research

Do knowledge management components influence on marketing performance of educational centers located in Guilan province?

Secondary questions of the research

- Does knowledge acquisition influence on marketing performance of educational centers located in Guilan province?
- Does knowledge creation influence on marketing performance of educational centers located in Guilan province?
- Does knowledge application influence on marketing performance of educational centers located in Guilan province?
- Does knowledge storage influence on marketing performance of educational centers located in Guilan province?
- Does knowledge transfer influence on marketing performance of educational centers located in Guilan province?

Research hypotheses

Primary hypothesis of the research

Knowledge management components influence on marketing performance of educational centers located in Guilan province.

Secondary hypotheses of the research

- Knowledge acquisition influence on marketing performance of educational centers located in Guilan province.
- Knowledge creation influence on marketing performance of educational centers located in Guilan province.
- Knowledge application influence on marketing performance of educational centers located in Guilan province.

- Knowledge storage influence on marketing performance of educational centers located in Guilan province.
- Knowledge transfer influence on marketing performance of educational centers located in Guilan province.

Conceptual and operational definition of technical words and terms

Knowledge management

Davenport (1998) has defined Knowledge management as efficient collection, distribution and application of knowledge resources. According to Taguchi, Knowledge management is decreased control on employees and their participation in knowledge creation and knowledge sharing so that the innovation strategy in organization will enhance. Based on Beth (2001) point of view, Knowledge management is the process of knowledge creation, verification, presentation, distribution and application. There are many definitions about Knowledge management. Generally we can say that Knowledge management is processes of efficient learning in terms of human knowledge discovery, Knowledge utilization, and Knowledge sharing (implicitly and explicitly) that use suitable technologies and cultural environment to improve intellectual capital and organizational performance (Jash yar, 2004).

Performance

The term “performance” is used widely in all domains of management. In fact, in all fields we use some measures for description of phenomena, identification of reasons, finding the relationships, prediction and comparisons. Often, performance is recognized by efficiency and effectiveness (Nely et al, 1995).

Marketing

The term “marketing” is commonly used for describing and explaining different things. On one hand, marketing is considered as a philosophy which is trying to state how and why an organization should adjust itself with its target market and penetrate in it. On the other hand, marketing is a set of sub-systems which are often referred to as sections. Regarding marketing implementation, these sections perform a set of functions (da Gama, 2010).

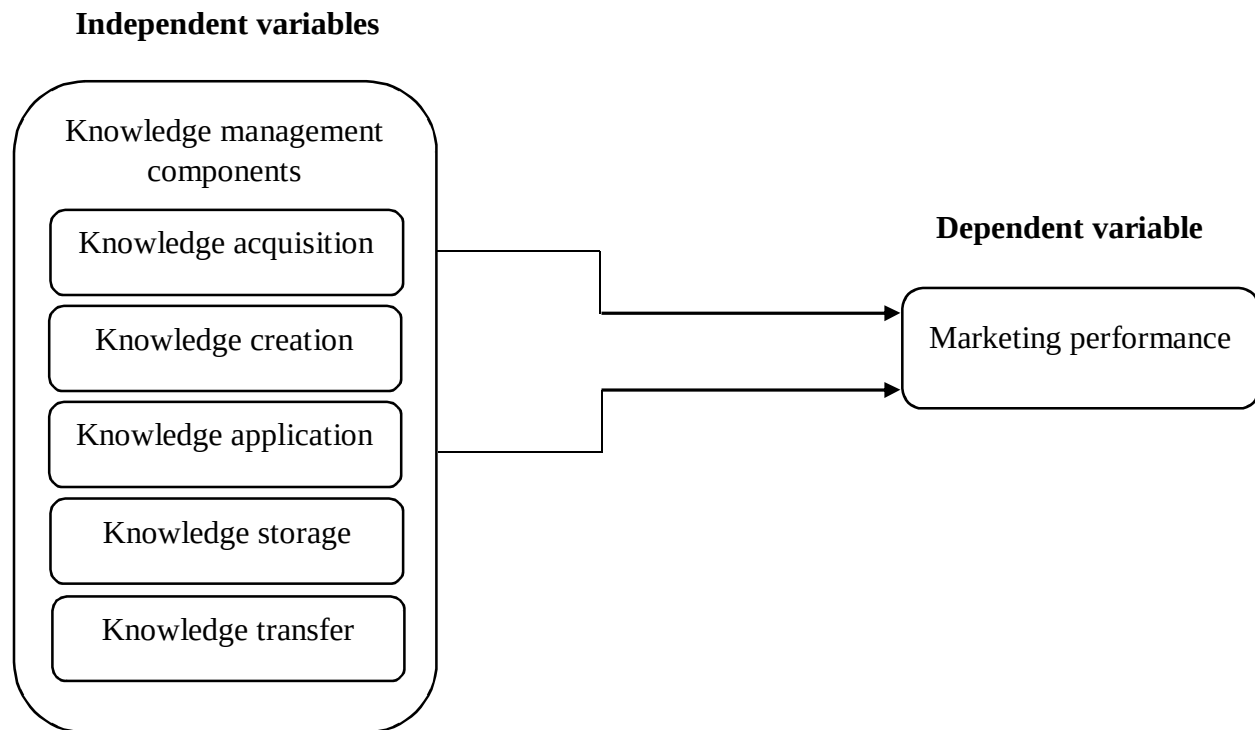


Figure 1- modified conceptual model (Gilaninia et al, 2011)

Research methodology

With respect to the conceptual model presented in figure 1, the method of this research is a descriptive survey in domain of causal method. The method of data collection is field test and the tool of data collection is a questionnaire that the researcher has designed it. In order to standardize the questionnaires, we will use Delphi technique. The method and tool of data analysis is in a form that for analyzing data, we use B coefficient test in univariate and multivariate retrogressions. In present study, SPSS and LISREL softwares have been used widely.

Conclusion

The results of comparative analysis indicate that one of the main challenges of organizations is understanding knowledge management and the manner of its implementation. Generally we can say that human resources and knowledge management have a close relationship with each other and many plans of knowledge management have failed due to lack of attention to human factor. We can divide the major barriers of knowledge management into five main categories: human factors, organizational factors, political factors, cultural factors, and technical and technological factors. It is important to pay attention to each of these barriers and removing them requires investment. As it was pointed out, the most of the previous studies have tried to identify and detect the barriers of knowledge management establishment and they have less considered the mutual relations between these factors, except those few researches carried out abroad that have used methods such as interpretive structural modeling. The barriers of knowledge management imply the fact that the success in knowledge management requires serious determination by the authorities of organization for removing these barriers. Managers and employees should believe

knowledge management and its effectiveness and it is only in this case that they take actions for removing the barriers. One of the findings of present study has been that the environment of organizational planning has great influence on the results of research. Therefore this limitation has existed in this study and it is recommended to future researchers to study the presented model in terms of the features of planning environment.

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