

THE ROLE OF KNOWLEDGE MANAGEMENT ON STRATEGIC PLANNING: EVIDENCE FROM SOCIAL SECURITY ORGANIZATION

Mohammad Khodadadi¹

Department of Management, Germe Branch, Islamic Azad University, Germe, Iran

Mohammad Feizi (PhD)

Department of Management, Meshkinshahr Branch, Islamic Azad University, Meshkinshahr, Iran

Abstract

The main purpose of this study was surveying impact of knowledge management on correct implementation of strategic planning. The population was 800 customers of Social Security organization in East Azarbaijan province. We determined the amount of the sample size with the used of Cochran sampling method which the statistical sample is 260 of these employees which have been selected through the simple random sampling method. To gathering of data, we used questionnaire with 23 items. In order to analyze the data resulted from collected questionnaires deductive and descriptive statistical methods are used. We used Kolmogorov-Smirnov Tests to normality of test data. And to test the hypothesis of the research we used regression. Findings show that Organizational climate and conditions, Organizational structure and Technology infrastructure have a positive impact on strategic planning.

Keywords: Knowledge Management, Strategic Planning, Organizational climate and conditions, Organizational structure and Technology infrastructure

1- Introduction

Most organizations understand the need for annual program objectives and a program-focused work plan. Funders require them, and they provide a basis for setting priorities, organizing work, and assessing progress. The term strategic planning has become very popular in recent years. Many nonprofit organizations now talk about doing strategic planning rather than long-range planning. Yet the difference between the two is not intuitively obvious, nor universally agreed upon (McKay, 2001). The key planning sessions often work best when facilitated by an outsider knowledgeable about the organization or about community-based organizations generally.

Academics have debated the meaning of “knowledge” since the word was invented, but let’s not get into that here. A dictionary definition is “the facts, feelings or experiences known by a person or group of people” (Collins English Dictionary). Knowledge is derived from information but it is richer and more meaningful than information. It includes familiarity, awareness and understanding gained through experience or study, and results from making comparisons,

¹ Correspondence author

identifying consequences, and making connections. Some experts include wisdom and insight in their definitions of knowledge. In organizational terms, knowledge is generally thought of as being “know how”, or “applied action” (Servin and Brún, 2005).

One can also distinguish among “know what,” “know how” and “know why” levels of knowledge. “Know what,” knowledge specifies what action to take when one is presented with a set of stimuli. For instance, a salesperson who has been trained to know which product is best suited for various situations has a “know-what” level of knowledge. The next higher level of knowledge is “know-how” – i.e., knowing *how* to decide on an appropriate response to a stimulus. Such knowledge is required when the simple programmable relationships between stimuli and responses, which are the essence of “know-what” knowledge, are inadequate. This might be the case, for instance, when there is considerable “noise” in symptomatic information so that the direct link between symptoms and a medical diagnosis is uncertain.

“Know how”-type knowledge permits a professional to determine which treatment or action is best, even in the presence of significant noise. The highest level of knowledge is “know-why” knowledge. At this level, an individual has a deep understanding of causal relationships, interactive effects and the uncertainty levels associated with observed stimuli or symptoms. This will usually involve an understanding of underlying theory and/or a range of experience that includes many instances of anomalies, interaction effects, and exceptions to the norms and conventional wisdom of an area (King, 2009).

Recently, due to the ever-increasing concern regarding the environment, the service industry has experienced a significant Knowledge competition and strategic planning. Focusing on how KM issues can affect strategic planning is the main purpose of this study.

2- Literature Review

2-1 Knowledge Management

There are likely more than three distinct perspectives on KM, and each leads to a different extrapolation and a different definition.

Knowledge management is a business activity with two primary aspects: according to Barclay and Murray (1997) Knowledge management is treating the knowledge component of business activities as an explicit concern of business reflected in strategy, policy, and practice at all levels of the organization; and, making a direct connection between an organization’s intellectual assets—both explicit (recorded) and tacit (personal know-how)—and positive business results.

Grey (1996) knowledge management is a collaborative and integrated approach to the creation, capture, organization, access and use of an enterprise’s intellectual assets.

From the cognitive science or knowledge science perspective: Wiig (1993) impressed that knowledge—the insights, understandings, and practical know-how that we all possess—is the fundamental resource that allows us to function intelligently. Over time, considerable knowledge is also transformed to other manifestations—such as books, technology, practices, and traditions—within organizations of all kinds and in society in general. These transformations result in cumulated [sic] expertise and, when used appropriately, increased effectiveness. Knowledge is one, if not THE, principal factor that makes personal, organizational, and societal intelligent behavior possible. (pp. 38–39)

And, from the process/technology perspective: Knowledge management is the concept under which information is turned into actionable knowledge and made available effortlessly in a usable form to the people who can apply it (Dalkir, 2005).

There are two main aspects of knowledge management, namely information management and people management. Viewed from this perspective, knowledge management is about information, on one hand, and people, on the other

The first aspect of knowledge management is information management. The practice of information management developed and became widely accepted when executives realized that information was an important corporate resource that could and should be managed to improve the company's competitiveness. As a consequence of the growth in the practice of information management, the concepts of "information analysis" and "information planning" developed, thus providing additional tools for practitioners (Uriarte, 2008).

The second aspect of knowledge management is people management. Basically, this involves the management of tacit knowledge that resides inside the heads of people. In actual practice it entails managing the knowledge that exists alongside organizational processes involving a complex set of dynamic skills, know-how and other knowledge-related capabilities (Uriarte, 2008).

Based on actual experiences of the leading global KM case studies, the components for KM can be broadly categorized into three classes - People, Processes, and Technology. While all three are critical to build a learning organization and get business results from KM, a majority of organizations worldwide implementing KM have found it relatively easier to put technology and processes in place, whereas the "people" component has posed greater challenges (Bhojaraju, 2005)

2-2 Strategic planning

Strategic planning is hard to do well. Some common words that people associate with strategy are highlighted in the text box on the right. While there is no one right answer, most people would agree that strategy is the prioritized methods for achieving the mission of the organization. It gives long-term coherence and direction to the actions and decisions of the organization. It is like the keel underneath a boat. It is this keel that keeps the boat sailing in a certain direction and not merely pushed sideways by the winds and external environment (James, 2010).

Strategic planning is a process to determine what an agency wants to accomplish over a given time period, and how to do that. An effective strategic plan makes choices based on:

- Knowing who you are
- Knowing what brings change
- Predicting how the environment is likely to change
- Rigorous and honest self-appraisal (Rahimi et al, 2012).

Strategic planning is not an end in itself; the exercise would be completely worthless without implementation in practice. The purpose of strategic planning is not to produce a Strategic Plan that is going to sit on the shelf gathering dust, but rather to provide a practical plan which makes a difference when it is implemented.

Contemporary strategic plans have multiple components and each component serves a specific purpose. These components are planning tools used either separately or in groups, but their development is usually, of necessity, a linear progression. One of the purposes of the planning process is to ensure these individual components are aligned with each other and mutually supportive. While not technically a part of the strategic plan, the mission statement is the foundation for it because everything contained in the strategic plan must be aligned with the mission. In addition to the mission statement, a vision statement, institutional goals, and an optional values statement comprise the supporting documents establishing the context for a

strategic plan. These supporting documents provide specific points of guidance in the planning process. The vision statement is the expression of institution aspiration, and is based on analysis of the institution's environment. Institutional goals provide the mechanism for evaluating progress toward the vision, and values statements describe the manner in which the institution will work to achieve its goals (Hinton, 2012).

Preparing a strategic plan is only a first step. To paraphrase Peter Drucker, plans are only promises and hopes without subsequent commitment and action. To be effective, strategic plans must be implemented through operational plans, action plans, work assignments, and requests for resources (Division Budget, 2012).

The implementation plan needs to be directive, clear, and documented. The implementation of a strategic plan depends on the institution's ability to turn strategic thoughts into operational action. For this reason it is necessary to document who is responsible for implementing an action, a date by which the action is expected to be completed, and what measures will be used to assess completion of the action. It is wise to ensure the person assigned responsibility for the action has the authority to make it happen. It is also wise to identify one and only one person to be the agent accountable for overseeing completion of the action. Obviously many people or departments may be needed to implement a specific action. However, if a group is designated as accountable, each person in the group will believe someone else in the group is taking charge.

3- Methodology

The main purpose of this study was surveying impact of knowledge management and social responsibility on correct implementation of strategic planning. The population was 800 customers of Social Security organization in East Azarbaijan province.

We determined the amount of the sample size with the used of Cochran sampling method which the statistical sample is 260 of these employees which have been selected through the simple random sampling method.

To gathering of data, we used questionnaire with 23 items. Questionnaires reliability was estimated by calculating Cronbach's Alpha that was 0.733.

In order to analyze the data resulted from collected questionnaires deductive and descriptive statistical methods are used. Also, we used Kolmogorov-Smirnov Tests to normality of test data. And to test the hypothesis of the research we used regression.

4- Results

In this study, we developed three Hypotheses. The statistical way of analysis of hypotheses is two ways, H_1 is acceptance of hypothesis and H_0 is rejecting of hypothesis. In other words, it means that H_1 has positive meaning and H_0 has negative meaning.

1. Technology Infrastructures has impact on correct implementation of strategic planning.
2. Organizational climate and conditions has impact on correct implementation of strategic planning.
3. Organizational Structure has impact on correct implementation of strategic planning.

Hypothesis One: Organizational climate and conditions has impact on correct implementation of strategic planning.

Table 1 shows the results of the first research hypothesis

Dependent variables	path coefficient	t-statistics
Strategic planning	.49	5.96

According to table1, the value of t-statistics equals 5.96 and shows the effects of Organizational climate and conditions on the strategic planning in 95 confident level. A positive coefficient organizational climate and conditions (0.49) indicates that the Organizational climate and conditions has a positive impact on strategic planning. So, the null hypothesis is rejected and the first research hypothesis is accepted.

Hypothesis two: Organizational Structure has impact on correct implementation of strategic planning.

Table 2 shows the results of the second research hypothesis

Dependent variables	path coefficient	t-statistics
Strategic planning	.29	3.49

According to table2, the value of t-statistics equals 3.49 and shows the effects of organizational structure on the strategic planning in 95 confident level. A positive organizational structure (0.29) indicates that the organizational structure has a positive impact on strategic planning. So, the null hypothesis is rejected and the second research hypothesis is accepted.

Hypothesis five: Technology Infrastructures has impact on correct implementation of strategic planning.

Table 35 shows the results of the fifth research hypothesis

Dependent variables	path coefficient	t-statistics
Strategic planning	.57	7.38

According to table3, the value of t-statistics equals 7.38 and shows the effects of technological infrastructure on the strategic planning in 95 confident level. A positive coefficient infrastructure technology (0.57) indicates that the technology infrastructure has a positive impact on strategic planning. So, the null hypothesis is rejected and the fifth research hypothesis is accepted.

5- Conclusion

This paper dealt with the concept of Knowledge management (Technology Infrastructures, organizational climate and conditions and organizational Structure) and correct implementation of strategic planning in the Social Security organization. Strategic planning may be difficult, but it is far from impossible. While there are many constraints that get in the way of strategic planning there are important benefits that a good process brings.

Findings shoe that:

1. Organizational climate and conditions has a positive impact on strategic planning.
2. Organizational structure has a positive impact on strategic planning.
3. Technology infrastructure has a positive impact on strategic planning.

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