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# THE EXAMINATION OF THE RELATIONSHIP BETWEEN SOCIAL CAPITAL AND ORGANIZATIONAL READINESS FOR ESTABLISHING THE KNOWLEDGE MANAGEMENT IN SEMET-CO

#### \*Reza Khodaei Mahmoudi and Solmaz Zamani

Department of Humanity Science, College of Management, Islamic Azad University, Marand, Iran \*Author for Correspondence

#### **ABSTRACT**

The present research has been done by the examination of the relationship between social capital and organizational readiness to establish the knowledge management in SEMET-CO. The descriptive survey method has been applied. And statistical population is 200 employees of the SEMET-CO in which, by utilizing the Cochran formula, 94 employees have been chosen as samples. For the evaluation of the social capital, Nahapiet and Goshal questionnaire (1998) has been utilized and for the knowledge management, Sales questionnaire (2002) has been used from which the Cronbach's alpha test has showed the consistency of 0.91, 0.85 respectively. The research have contained 14 hypotheses which have been examined by the regression and as a result, 14 hypotheses have confirmed.

#### INTRODUCTION

Nowadays, the societies move toward knowledge-based economic in which the knowledge is the most significant element of management to create the value in organizations (Leitner and Warden, 2003). For most of the advanced (developed) countries, knowledge is the symbol of competition and a factor to achieve power and progress (Drucker, 1988). As studies show, those companies which have overlooked the knowledge management, 30 to 40 percent have fell behind from their rival companies in increasing of their production or in gaining competitive advantage (Gartner Group, 1998).

In the present situation, the most important responsibility of organization is to pave an appropriate way for the creation, transference, and development of disciplines of knowledge which have Islamic purposes. On the other hand, one of the abilities and major factors that can help out the organizations to create and share knowledge, and in comparison with other organization, can provide organizational profits is social capital. Therefore, the present paper attempts to cast light upon the role of social capital in establishing and developing of knowledge management in Saipa Corporation.

# Theoretical Principles

# Social Capital

The critics define social capital as a series of aspects of social organization such as manners, social networks and mutual trust which facilitate the cooperation and collaboration of the employees in order to achieve common profits (Putman, 1995).

# Knowledge Management

Today, it is proved that the world of technology is the world of knowledge. Those organizations that have found an efficient way to extract, utilize, and gain the knowledge management and at the same time regard knowledge as distinguished property, have reached to the point that they must increase the efficiency of the employees and the satisfaction of the consumers and as a result discovered the key to success factors. To reach such goals and provide the products and the services with appropriate and economic quality, it will be a difficult and at time impossible act without regarding the management and utilizing the existing invaluable knowledge resources (Farahani, 2005).

# Social Capital and Knowledge Management

Adler and Krwon (2002) demonstrated that there is a significant relationship between social capital and knowledge management. Tymon and Stumpf (2003) demonstrated that role of the social capital in the improvement of knowledge management eventuates in higher function in organization.

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#### MATERIALS AND METHODS

# The Research Methodology

The present study is based on a descriptive and correlational method. Besides, the method of data collection is a field-libraries. Due to the purpose and the nature of the study, the most appropriate method for collecting necessary data is to filling out the questionnaire. To achieve such goal, the following three samples have been utilized:

- General Information Questionnaire
- Knowledge Management Questionnaire
- Social Capital Management

It is must be noted that the management measure is the seven Lic Rate spectrum (1: Minimum through 7: Maximun)

Since the questionnaires have been utilized in numerous studies and researches, thus the validity of the mentioned questionnaire has confirmed. On the other hand, for determining the consistency of the collected data, SPSS 15.0 software Cronbach's Alpha Test was used. For the consistency evaluation of the knowledge management questionnaire, Cronbach's alpha coefficient was 0/910 which is the indication of the questionnaire consistency. Besides, the estimated Cronbach's alpha coefficient for the social capital is 0/853 which is the indication of the questionnaire consistency.

The statistical population of this study includes all the design and engineering staff of Saipa Corporation. According to statistics, the total size of statistical population is 200 people. Therefore, by the Kurkan formula, the size of the statistical sample was 94. Thus 94 different sections of the questionnaire were distributed among different workers of different organizations. By using the accidental, stratified sampling, the questionnaires were distributed and in the end 92 questionnaires were gathered.

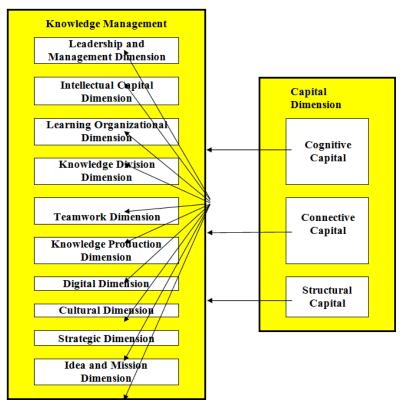


Diagram 1: Conceptual Model of the Research

According to theoretical studies of this study which are mainly based on the objectives of the research and theory of Nahapiet and Goshal on social capital and knowledge management, a conceptual model of the

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research (Diagram 1), which shows the relationship between social capital with dimensions of knowledge management, has been designed and, based on the mentioned method, the hypotheses were assembled.

#### The Research Hypotheses

The Main Hypothesis

There is a positive and significant relationship between the social capital and the knowledge management in Saipa Corporation.

Sub-Hypotheses

- 1. The examination of the relationship between the social capital and the ten dimensions of the knowledge management.
- 1-1: There is a positive and significant relationship between the social capital, leadership and management in Saipa Corporation.
- 1-2: There is a positive and significant relationship between the social capital and the dimension of intellectual capital in Saipa Corporation.
- 1-3: There is a positive and significant relationship between the social capital and the learner organization in Saipa Corporation.
- 1-4: There is a positive and significant relationship between the social capital and the dimension of knowledge division in Saipa Corporation.
- 1-5: There is a positive and significant relationship between the social capital and the dimension of teamwork in Saipa Corporation.
- 1-6: There is a positive and significant relationship between the social capital and the dimension of knowledge production in Saipa Corporation.
- 1-7: There is a positive and significant relationship between the social capital and the digital dimension in Saipa Corporation.
- 1-8: There is a positive and significant relationship between the social capital and the culture dimension in Saipa Corporation.
- 1-9: There is a positive and significant relationship between the social capital and the strategy dimension in Saipa Corporation.
- 1-10: There is a positive and significant relationship between the social capital and the dimension of idea and mission in Saipa Corporation.
- 2. The examination of the influence of three-dimensional of social capital on knowledge management.
- 2-1: There is a positive and significant relationship between the cognitive capital and the development of knowledge management in Saipa Corporation.
- 2-2: There is a positive and significant relationship between the connective capital and the development of knowledge management in Saipa Corporation.
- 2-3: There is a positive and significant relationship between the structural capital and the development of knowledge management in Saipa Corporation.
- 2-4: There is a positive and significant relationship between the variables of (cognitive, connective and structural capital) with knowledge management in Saipa Corporation.

#### RESULTS AND DISCUSSION

#### The Analysis of Data

To analyze the hypotheses of the present research, the SPSS statistical software has been utilized.

The examination of the relationship between the social capital and the knowledge management (as a general concept).

The analyzing the main hypothesis of the research: From the employees' perspective on the engineering and designing company in Saipa, using the regression method, the findings of the examination of the relationship between social capital and knowledge management, the relationship between these two variables is positive and significant at 99% reliability level, (r = 0/688 and p < 0/01) (Table 2).

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Table 1: The Examination of the Relationship between the Social Capital and the Knowledge Management

Hypothes is	Independe nt Variable	Dependent Variable	R	R Squar e	β Standar d	Statisti c T	Level of Significan ce	Decision
Main	Social	Knowledge	0/77	0/435	**	5/312	0/000	Hypothesis
	capital	Manageme	9		0/7479			Confirmati
		nt						on

<sup>\*\*</sup>The regression coefficient is significant at 01/0.

According to the findings of the regression, the social capital at 1% level of significance, has a positive and significant influence on the knowledge management of the present study of the university. As a result, the main hypothesis of the research confirmed at reliability of 99%. In other words, the improvement of the social capital led to the development of the knowledge management in Saipa Corporation.

# The Examination of the Relationship between the Social Capital and Dimensions of the Knowledge Management

This section focuses on the examination of sub-hypotheses of (1-1) through (1-10). The findings of the examination of regression of sub-hypotheses has been shown in Table 3. As the findings show, social capital has a positive and significant relationship with the ten dimensions of the knowledge management. This finding confirmed the sub-hypotheses of 1-1 through 1-10.

Table 2: The Examination of the Relationship between the Social Capital and the Knowledge Management

Hypothesi s	Independen t Variable	Dependen t Level	R	R Squar e	β Standard	Statis tic T	Level of Significance	Dicision	
(1-1)	Social Capital	Leadership and Manageme nt	0/594	0/353	**0/594	7/009	0/000	Hypothesis Confirmation	
(2-1)	Social Capital	Intellectual Capital	0/769	0/607	**0/769	6/312	0/000	Hypothesis Confirmation	
(3-1)	Social Capital	Learners Organizati on	0/553	0/215	**0/553	5/022	0/000	Hypothesis Confirmation	
(4-1)	Social Capital	Knowledg e Division	0/533	0/324	**0/533	7/410	0/000	Hypothesis Confirmation	
(5-1)	Social Capital	Teamwork	0/547	0/299	**0/547	6/095	0/000	Hypothesis Confirmation	
(6-1)	Social Capital	Production of Knowledg e	0/441	0/187	**0/441	5/647	0/000	Hypothesis Confirmation	
(7-1)	Social Capital	Digital Dimension	0/388	0/144	**0/388	4/020	0/000	Hypothesis Confirmation	
(8-1)	Social Capital	Culture	0/401	0/161	**0/401	6/091	0/000	Hypothesis Confirmation	
(9-1)	Social Capital	Strategy	0/482	0/199	**0/482	6/127	0/000	Hypothesis Confirmation	
(10-1)	Social Capital	Idea and Mission	0/377	0/139	**0/377	4/888	0/000	Hypothesis Confirmation	

<sup>\*\*</sup> The regression coefficient is significant at the level of./001.

<sup>\*</sup> The regression coefficient is significant at the level.00/5.

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As Table 3 shows, social capital has a positive and significant relationship with all the ten dimensions of the knowledge management. Thus, it is expected that the improvement of social capital can lead to the promotion of management in the factors of leadership and the management of intellectual capital, learner organization, knowledge division, teamwork, knowledge production, digital, culture, strategy, idea and mission in Saipa Corporation.

The findings also show that social capital has most influence on knowledge division, teamwork, leadership and management. Confirming the forenamed hypotheses means that the reinforcement of the social capital paves the way for flourishing the dimension of knowledge management in Saipa Corporation.

# The Examination of the Relationship between Social Capital Dimensions and the Knowledge Management

To investigate the relationship between three-dimensional of social capital and knowledge management in Saipa Corporation, sub- hypotheses (1-2) through (4-2) must be analyzed. The findings of the present examination have been shown in Table 4.

Table 3: The Examination of the Relationship between the Dimension of the Social Capital and the Knowledge Management

Hypot	Dependent	Independe	R	R	β	Statisti	Level of	Decisio
hesis	Variable	nt		Squa	Standar	c T	Significance	n
		Variable		re	d			
(1-1)	Cognitive	Knowledge	0/377	0/168	**0/377	5/121	0/000	Hypothe
	Capital	Manageme						sis
		nt						Confirm
								ation
(2-1)	Connective	Knowledge	0/576	0/299	**0/576	6/267	0/000	Hypothe
	Capital	Manageme						sis
		nt						Confirm
								ation
(3-1)	Structural	Knowledge	0/489	0/196	**0/489	5/78	0/000	Hypothe
	Capital	Manageme						sis
		nt						Confirm
								ation
(4-1)	Cognitive,	Knowledge	0/866	0/596	**0/326	4/127	0/000	Hypothe
	Connective,	Manageme			**0/421	5/361		sis
	Structural	nt			**0/327	5/315		Confirm
	Capital							ation

<sup>\*\*</sup> The regression coefficient is significant at the level of 0/01.

As the findings of regression shows, the level of reliability is less than 5%. This finding shows the influence of variables and three-dimensional of social capital on the knowledge management. Besides, at the presence of the other variables (three-dimensional of social capital), the influence of each variable on the knowledge management can be observed, sub-hypothesis (2-4) have been analyzed (Table 4).

As Table 4 shows, the dimension of social capital can pave the way for the reinforcement of knowledge management in Saipa Corporation. Thus, the dimensions (cognitive, connective and structural capital) have positive and significant relationship with the knowledge management. As a result, officials and staff of the organization can prepare the way for the development of the knowledge in Saipa Corporation by fostering and investing in cognitive, connective and structural capital.

However, since the connective capital has the highest relationship with the organizational knowledge management among the three-dimensional social capital, but for improvement and development of

<sup>\*</sup> The regression coefficient is significant at the level of 0/05.

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knowledge in Saipa Corporation, this factor (connective capital) has been gained ground by the officials of the organization.

#### Conclusion

The analysis of data shows that there is a positive and significant relationship between social capital and the knowledge management. Besides, social capital has essential effect on the development of knowledge management in Saipa Corporation.

The other findings of present study show that social capital has positive and significant relationship with all the ten dimensions of knowledge management. Moreover, the dimension of social capital pave the way for the reinforcement of knowledge management in Saipa Corporation. Therefore cognitive, connective and structural capital have positive and significant relationship with knowledge management. Overall, this study shows that the development of the social capital has essential effect on the development of knowledge management dimension in Saipa Corporation. The presence of social capital in the organization and effective communication between organizations will provide the facilitation of the production, the transference and share of knowledge in Saipa Corporation. According to the findings, for effective and efficient management of their organizational knowledge, universities must make an attempt to promote the social capital and its dimensions (cognitive, connective and structural capital).

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