



# Relationship between Knowledge Management and Organizational Creativity of the Staff (Case Study - Finance Affairs Management of Tejarat Bank)

Seyedeh Zahra Sadat Kiyae<sup>1</sup>, Davoud Hossein Zadeh<sup>2</sup> and Nader Barzegar<sup>3\*</sup>

<sup>1</sup> Department of Educational Management, Islamic Azad University, International Qheshm Branch, Qheshm, Iran

<sup>2</sup> Department of Educational Planning and Management, Islamic Azad University, Saveh Branch, Saveh, Iran

<sup>3</sup> Department of Educational Administration, Islamic Azad University, Islamshahr Branch, Islamshahr, Iran

\* Corresponding author's Email: Barzegar@iiu.ac.ir

**ABSTRACT:** The purpose of the present research was to investigate the relationship between knowledge management includes the production, organization, distribution and application of knowledge with finance affairs staffs organizational creativity of Bank of Tejarat. The population was including 250 persons finance affairs staffs of Bank of Tejarat. The simple random sampling method sampling and sample size have been selected using Morgan table and 150 persons. The research is applied in view of purpose and is correlation in view of descriptive method. Two standardized creativity Randsip (containing 50 questions) and researcher-made knowledge management (containing 23 questions) questionnaires were used to collect data for measure knowledge management based on five-point Likert scale. Also, for data analysis, descriptive statistical parameters (frequency, percentage frequency, mean, standard deviation, range of variance) were used and for inferential analysis, correlation and multi variable regression tests has been used. The results showed there is a positive relationship among all the sub-scales of production, organization, distribution and use of knowledge with creativity of the Bank of Tejarat employees.

**Key words:** Knowledge Management, Production, Distribution, Application of Knowledge, Organizational Culture, Creativity

Received 25 Dec. 2013  
Accepted 05 Feb. 2014

ORIGINAL ARTICLE

## INTRODUCTION

Knowledge management was introduced in the end of 1970 decade. In this decade of the systems based on artificial intelligence and intelligent systems applied to knowledge management and concepts such as knowledge acquisition, knowledge engineer, knowledge based systems was be populated. Management knowledge is a set of strategies and facilities that to ease coding, publication and knowledge application in gain to set goals.

Minu (2003), Alavi and Leidner (2001) are believed that in recent years, if the organization wants to use the knowledge which it has and exploit it, should be known the knowledge how to created, shared and used within the organization. Gottschalk and colleagues expressing that based on the theory of "knowledge, basis of organizations", knowledge is the main source of survival and success of organizations (Garud and Kumaraswamy, 2005). Knowledge organization is as dominant structures of public and private organizations in the transition from the industrial age to the knowledge age (Sanei, 2012.) In Table 1 has been shown the evolution of knowledge management. Knowledge management is carry out systematically organizing, planning, scheduling, monitoring and deployment of people, processes, technology and the environment with to have

(strategic) appropriate individuals and mechanisms for getting feedback (Mokhtari, 2012).

A Knowledge Management system is one that provides the user with the explicit in formation required, in exactly the form required, at precisely the time the user needs it. "Or: "A Knowledge Management system is one that connects to all sources of knowledge." (McKenna, 2008).

### Knowledge management Objectives

Knowledge management has many benefits and objectives for individuals, experience sharing groups and organizations (Ghelich Lee, 2009; McKenna, 2008).

- What are the outcomes you are striving for?
- What kinds of knowledge are you trying to create?
- What will you use the knowledge for?
- Who will be involved in the knowledge generation process?
- Who will benefit from the KM process?
- How will the KM system affect your shareholders?
- How will your KM system affect your customers?
- What authority will you give to your Knowledge Manager?
- How will you know when you are successful?

- What will be the overall benefit of achieving your KM objectives? How will you profit?

### **Main Steps of Management Knowledge**

#### **Knowledge creation**

According Nonaka and Takeuchi model (2000) four method of organizational knowledge creation are consisting of: to make sociable, to make outer, to make internal, and to combine. Four proposed organizational location types in order to knowledge creation are consisting of: (sohrabi and Daremi, 2010).

- Production. Consist to make sociable method of knowledge creation.
- Interaction. Consist to make outer method of knowledge creation.
- Control and maintenance. Consist to combine method of knowledge creation.
- Action. Consist of apparent knowledge conversion to hidden knowledge through process to make internal.

**Storage:** According to experimental studies of Alavi and Lidner (2001), despite the organization create knowledge and learn, they also forget. Grover and Danport (2001) with study the western organizations reached to this result that one of common goals most management knowledge projects have been creation typical knowledge reservoir (Ghelich Lee, 2009).

**Sharing and transfer the knowledge:** The Knowledge Transfer occurs at the Different Levels of an Organization: Between individuals, from individuals to explicit sources, from individuals to groups, between groups, within groups and from group to the organization. Thus, an important process of knowledge management in enterprise environments is transfer the knowledge to needed places for deployment. (Ghelich Lee, 2009).

**Creativity:** Loutater, the professor of organizational behavior, introduce the creativity to create a combination of solutions by individuals or groups in a new way (Mad Haven and Grover, 1998), this definition specifies a creative output and a creative as a problem-solving, also raises creativity in the individual and group level.

Oldham and Kaming with emphasis on creative outlet and features of creative outlet, define creativity involves products, new ideas and practices that are valuable and new (Oldham and Kaming, 1997).

**Organizational creativity:** Despite a long history of creativity in human life, recently the organizations due to the dramatic pace of technological change, global competition and economic uncertainty have discovered that one of the key and sustained resources of competitive and survival advantage is organizational creativity. The sustained competitive advantage appears in the form of ideas, products and new services that be directly related to creative

thinking. The organization staff creative helps to organization survive like this when their employees to be creative, will be able to provide useful and new ideas concerning products, operations, services, organization procedures and to apply.

To conversion to the creative organization has been became a tools to become competitive in today's dynamic and flexible business environment (Duffy, 1998).

The combination of creative ideas and managing organizational innovation is main key to staying in the organizational competitive innovation state, in the long term (Adams et al., 2006).

**Key success factors of organizational creativity:** Five tasks main that is linked with innovation and creativity are consist: search employee, education, and occupation progress route management, reward system, function assessment. Key success factors of organizational creativity management are operational factors that lead to the successful implementation of an organizational creativity management. According to the research that has been done in this area, the following factors can be considered as key success factors of organizational creativity (Hassan Beigi, 2010).

**1. Cultures of Creativity: Management is considered a broad set of accepted values, norms and behaviors on organizational creativity.**

**2. Structural complexity of management:** Management take into account the models of structure that an organization uses to facilitate the implementation of organizational creativity.

**3. Commitment and management leadership:** properties management examines capabilities and practices of management that conduct creativity management.

**4. The capabilities and behavior of employees:** management has been considered essential elements for employees in terms of characteristics, abilities, attitudes, commitment and job satisfaction that its results are specified in organizational creativity.

**5. Developing a strategy for creativity:** management examines creativity strategy direction that facilitates organizational creativity.

**6. Strategy situation for innovation:** management focus on the effective work implementation of corresponding strategies to organizational creativity.

**7. A mechanism for authentication and determining the allowance change for creativity:** management examine a loyal system and rewarding with an allowed changes range for ambiguity, error, conflict in relation to organizational creativity.

**8. A mechanism for sustainable development:**

management review the development mechanisms for past projects and current projects which is effect on organizational creativity.

**9. Organizational learning:**

management examines the learning mechanisms and education in relation to organizational creativity.

**10. Use and transfer of knowledge:**

management checks use of knowledge and knowledge transfer mechanisms in organizational creativity.

**Nonaka et al. (1995):** A study has been conducted in Honda manufactory by Nonaka and colleagues show that the impact of organizational

culture on knowledge management. The results show that "create and guidance new knowledge will never reach a conclusion if the organization culture dominant on organization does not change": the sentence that made Honda Company's principals.

Erly, Arnold Mariky were carried out the research entitled "Impact of creative problem solving on problem productivity" in university of Origen of the United States in 1982 that the productivity is higher in groups which are controlled by creatively problem-solving (quoting from Vatan Doost, 2008 ; Ketabdar, 2009).

**Table 1.** Evolution of Knowledge Management (Hassanzadeh, 2007, quoted Rezaei 2009)

Decade	Progress of knowledge management
1970	Knowledge management was discussed.
1980	Increased importance of knowledge management and publications related to knowledge management was raised.
Early 1990s.	American, European and Japanese companies' activities intensified in the area of knowledge management.
Mid-1990s	International networks of knowledge management emerged.
Late 1990s	Knowledge management was composed of business activities of large firms companies.
Third Millennium	Large European companies allocated about 55 percent of their income for knowledge management.

**MATERIALS AND METHODS**

In this study, the descriptive research method rom kind of correlation was used. Well as the present study has been the practical in view of purpose.

**The population:** Statistical population is composed of 250 employees of Tejarat Bank financial affairs management section. The simple random sampling method was used to choose samples and to determine sample size, Morgan Table was utilized and 150 cases have been selected.

**Data gathering tools:** In the research, the library studies was used to formulate the theoretical basis and Rand Syp's creativity standardized questionnaire (containing 50 questions) and knowledge management research-made questionnaire containing 23 questions on basis of a five-point Likert scale from very high to very low.

The obtained tools reliability level using Cronbach's alpha formula is 0.89 for creativity questionnaire and for knowledge management questionnaire is 0.94.

**Analysis of data:** Also descriptive statistical parameter (frequency, percentage frequency, mean, standard deviation, range of changes) was used for data analysis and the correlation and multiple regressions were applied to inferential analysis.

**RESULTS**

There is relationship between knowledge management components and organizational creativity. On basis of the research original assumption

based on that there is a relationship between knowledge management and organizational creativity. The results of findings and data analysis show that knowledge management is an important factor in creating employees creativity in an organization. Therefore culture making and implementation of knowledge management in organizations is recommended.

**Table 2.** Correlation matrix relationship between knowledge management component and the organizational creativity

Variables	organizational creativity
Production of knowledge	r=0.310 p=0.01
Knowledge organizing	r=0.310 p=0.01
knowledge distribution	r=0.335 p=0.01
Knowledge organizing	r=0.347 p=0.01

**Tributary Hypothesis**

**1. There is relationship between production of knowledge and the organizational creativity from the perspective of employees of the Tejarat Bank.**

Based on the first sub-hypothesis that there is a relationship between production of knowledge and the organizational creativity, data analysis using Pearson's correlation coefficient indicates that the components of knowledge production can be affected on organizational creativity of employees and this

component is considered as a factor of creativity of employees.

### **2. There is relationship between knowledge organizing and organizational creativity**

The second sub-hypothesis on the basis that there is a relationship between knowledge organizing and organizational creativity, refinement, standardization, calibration, and maintenance of productive knowledge in the organization lead to enhance creativity employees.

### **3. There is a relationship between knowledge distribution and organizational creativity**

On the basis of third hypothesis there is a relationship between knowledge distribution and organizational creativity. Based on research findings using Pearson correlation shows that culture making is an important factor in the management of knowledge in organizations and in relation to creativity can be said if knowledge dose not be good distributed and dose not be good understood, the creativity of staff is not too will appear.

### **4. There is a relationship between application of knowledge and organizational creativity**

On the basis of the fourth hypothesis there is a relationship between application of knowledge and organizational creativity. Based on research findings and Pearson correlation coefficient test results between these two variables show that if the managed knowledge has not been good used in the organization will not enhance creativity factor and indeed will not be shown any creativity by the staff. Therefore, it must be provided appropriate mechanisms to apply the knowledge in an organization by managers.

## **DISCUSSION**

The results of the survey data and analysis to answer the following research hypotheses are suggested following actions for the implementation of knowledge management in banks.

- Suitable model implementing form knowledge management in Tejarat banks to increase organizational creativity in employees.
- With holding Seminars, in-service workshops and staff participate in these processes apply to the production of knowledge to enhance individual creativity.
- It can be take action for filtering data and information as well as maintaining and updating them through the use of standardized and efficient system.
- It can be take the necessary actions to equitable and fair distribution of knowledge and to give the information required by employees in different categories between managers and staff through set up computer systems (Internet, intranet) and non-

computer systems via the internal magazines, special letters, and bills.

- It is qualified to the use staff from their explicit and tacit knowledge in everyday relations between other workers, also to provide the plans and novel and new ideas in line with their organization objectives for production and to provide customer required services through create suitable organizational culture and environment via knowledge management and encourage employees through various means.

## **REFERENCES**

- Adams, R., Bessant, J. & Phelps, R. (2006). "Innovation management measurement: a review ". Vo1. 8 No. 10, p. 21-47.
- Alavi, M. & Leidner, D.E. (2001). "Review: Knowledge Management and knowledge Management Systems: Conceptual Foundations and Research Issues", MS Quarterly, Vol. 25 No. 1, pp. 107-32.
- Hassan Beigi, M. (2010). Presentation of the success factors model of knowledge management to enhance creativity and organizational learning in the Airports Company of country, IT Management Master's Thesis.
- Duffy, D. & Nivember. (1998). "Knowledge Champions, "C IO (Enterprise Section 2).
- Garud, R. & Kumaraswamy, A. (2005). "Vicious and Virtuous Circles In the Management of Knowledge: the Case of Infosys Technologies ", MIS Quarterly, 29(1): 9-33.
- Ghelich Lee, B. (2009). Knowledge management, the process of creating, sharing and application of intellectual capital in businesses, Tehran, study and compiled of Humanities books organization for University (Samt).
- Ketabdar, Z. (2009). The relationship between managers' leadership style and their organizational creativity and innovation in schools of Saveh city in 2008-2009 education year. Master's Thesis in Educational Administration.
- King, W.R., Chung, T.R. & Haney, M.H. (2008). "Knowledge Management and Organizational Learning", the International Journal of Management Science, Omega, 36: 167-172.
- Madhaven, R. & Grover. (1998). "From Embedded to Knowledge: New Product development as Knowledge Management, " Journal of Marketing, 62 (4). Management Effectiveness ", Electronic Journal of Knowledge Management Volume 9, pp 155-167.
- Minu, Ipe. (2003). Knowledge Sharing in Organizations: A Conceptual Framework. Human Resource Development Review, 2(4): 337-359.
- McKenna, F. (2008). A Knowledge Management System - A Discourse Copyright Knowledge one Corporation.

- Mokhtari, M.B. (2012). "Selecting knowledge management strategies by combining ANP and the algorithm," fifth Knowledge Management Conference, Tehran.
- Nonaka, I. & Takeuchi, H. (1995). *the knowledge – creating company*, Oxford University Press. Oxford.
- Oldham, g. & Cumming, A. (1997). *Enhancing creativity: Managing work context for the high potential employee*, California Management Review 40.pilar, Jerez-Gomez, Jose, cespedes.
- Rezaei, Z. (2009). *The relationship between knowledge management and organization creativity from the perspective of faculty of Azad University of Islamshahr Branch*, MS Thesis in Educational Administration.
- Sohrabi, B. & Darmi, H. (2010). *Knowledge Management with MBA Approach*, Tehran, study and compiled of Humanities books organization for University (Samt).
- Sanaei, I. (2012). "influencing factors examination on knowledge sharing behavior using the theory of planned behavior", Fifth Conference on Knowledge Management, Tehran. Vatan Doost, M. (2008). *The relationship between creativity and organizational productivity of managers in the Education of Tehran*, Masters in Educational Administration, Islamic Azad University of Tehran.