La'ya Sadeghzadeh
Department of Management, Mahabad Branch, Islamic Azad University, Mahabad, Iran

Kamal Afani
Department of Management, Mahabad Branch, Islamic Azad University, Mahabad, Iran

Investigating the Relationship of Knowledge Management on Creating Organizational Innovation (Case Study: Municipality of Maku Township)

La'ya Sadeghzadeh, Kamal Afani

Abstract
The present study is to investigate the effect of knowledge management on creating organizational innovation in Municipality of Maku. To evaluate the main objective of the study, a main hypothesis and four secondary hypotheses were presented. The population of the study included 155 individuals and the sample size was equal 110 participants. The sampling method was the random sampling method. The research was an applied one (the descriptive-survey method). In the present research, a standardized questionnaire including 37 items was used for collecting data. Using this questionnaire, and by applying the multiple-point Likert scale, statistical data were tested. The reliability and validity of the questionnaire were confirmed. The results of the research indicated that there is a significant correlation between knowledge management and creating innovation and this correlation can be observed in variables of organizational culture, IT, strategy, process and creation of innovation.

Keywords: knowledge management, innovation, organizational culture, IT, strategy, process

Introduction
In recent years, we have observed a lot of approaches to knowledge management. The power of knowledge is a valuable and important resource for maintaining the valuable legacies, learning new and modern cases, solving problems, creating cores of competition and founding new situations for individuals and organization at the present and in future. Knowledge management is a systematic approach of creating, receiving, organizing, accessing, and using knowledge and teachings in organizations which contributes to educational organizations for improving decision making, more flexibility, reducing workload, increasing productivity, creating new opportunities of business, reducing costs and improving motivation in the staff.

Nowadays, all working and scientific groups declare that in order that organizations can survive in the business and competitive world, they should act around the axis of science and knowledge. In spite of the fact that knowledge is considered as a vital and necessary resource for survival of organizations and the condition for the success of organization in global business depends on accessing a deep knowledge and understanding in all levels, but however, a lot of organizations have not paid attention to knowledge management seriously. Now, a lot of organizations and companies should recreate the product basket via creating innovation. In this line, creativity and production of new thoughts of organizational managers and staff has been considered particularly importance and has had a high status in its own organization. Those organizations are successful which continuously apply new thoughts to organizations. This issue is possible by creative managers and staff, but whether organizations and companies create the required conditions and environment?

Whether they are familiar with appropriate leverages for optimizing the success of innovation? However knowledge per se is considered as a resource, the way that this knowledge is managed and used can be effective on the quality of services which can be obtained from each of resources belonging to organizations. Knowledge management is mostly considered as the main resource of innovation and basic considerations of the process of innovation in organizations.

All organizations require new thoughts and ideas for survival. New thoughts are new airs breathed into the body of organizations and save them from being devastated. In our age, for

Correspondence
Kamal Afani
Department of Management, Mahabad Branch, Islamic Azad University, Mahabad, Iran

being survived and advancing or even maintaining the status quo, the innovative movements in organizations can be survived in order that they can be prevented from being devastated. In order to survive in the critical and variable world of today, we should approach towards innovation and creativity, and in addition to identifying changes and transformations of the environment for encountering them, innovative and new answers should be prepared and along with being affected by these transformations, they should be affected and shaped in desired forms (Alvani, 2003: 322) [3].

In addition, these researchers believe that without paying attention to the issue of knowledge management, innovation cannot be effective. The present age which is the age of great upheavals and changes in technologies, and its intellectual structure is filled with deepening information and paying attention to the participation of creative and knowledge-oriented human forces, in organizations, knowledge management should be conducted by managers. Therefore, the issue is to investigate the effect of knowledge management on creating innovation in Municipality of Maku.

1. Main research objective
To investigate the relationship between knowledge management and creating organizational innovation in Municipality of Maku Township.

2. Review of literature
2.1. The concept of knowledge management
Knowledge management refers to strategies and processes which are able to produce and run knowledge for creating and realizing organizations, customers, and users' expectations in all levels of organizations, in fact, it is a vast process which pay attention to the issues of identification, organization, transference and appropriate use of intra-organizational information and experiences (Alvani, 2003: 322) [3].

2.2. Significance of knowledge management
Knowledge management is considered as a key instrument for management in the new century in organizations and provider of the grounds for re-reading, creating, rearing, enhancing, organization, maintaining, and publishing knowledge can cause the establishment of a new approach, effective use of available knowledge, readiness for receiving and using modern information and knowledge for developing knowledge and information in the third millennium with the power of coping with rapid changes in the surrounding world (Jafari Moghaddam, 2003) [15].

Nowadays, knowledge is the integral part of the success of each organization. This issue in organizations in which intellectual capital and intangible properties are important, knowledge has a vital role. If the process of changes and transformation in knowledge of the contemporary society is evaluated attentively, this important result can be obtained that the ultra-industrial society of today is an information society in which gradually empowering technologies are replaced by knowledge-creating technologies (Ahmadpour Dariani, 2002: 64) [2].
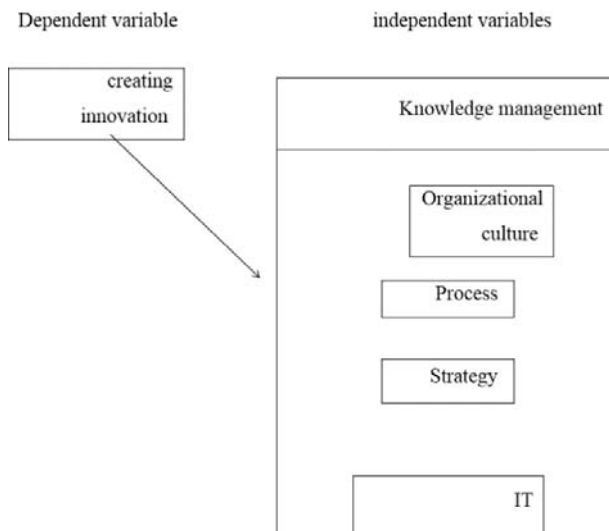

Fig 1: the operational model of the research

The operational model of the research has been indicated in figure 1.

Fig 2: The conceptual model of the research

2.3. The hierarchy of knowledge management
1. Data: the data are a series of objective and abstract realities such as texts, images, signs, and as such about knowledge considered by organizations. From organizational viewpoints, data are considered as a series of registered and regular exchanges. Data are not a set of information, a set of knowledge information, a set of rational information, or a set of real reasons (Fleming, as cited in Safaei, 2006) [12]. The dictionary of knowledge management defines data as a set of separate and objective realities about events, occurances, or realities as well as forms lacking in grounds and interpretations. Regarding this definition, data is a theme meaningless in time and space just like an event outside its context whose meaning is outside the ground and because it is outside the contexts, it lacks the meaningful relationship with other phenomena.

    Data refers to the description of primarily one thing, event, occurrence, activity, exchanges which are registered classified, and stored, but are not organized for transferring meanings. Data are the sources of constructing knowledge and are composed of realities and raw numbers such as the rate of each student and treasuries, etc. which are in the form of a series of objective and abstract realities about events. Data are changed into information via creating grounds, calculation, estimation, reconstruction, editing, and summarizing, and it is this transformation which is added to data.

2. Information: according to the dictionary of knowledge management, information is a message which usually is in the form of observable or audible document or relations. The word inform means shaping and information means shaping the vision of the receiver of pieces of information. Therefore, information is a kind of message which like all messages has a sender and

receiver. Information refers to meaningful data which purposively are collected and organized in organizations. Information is a kind of message which usually are in written forms or in they are represented in audoisual forms. Information means shaping a vision in the receiver.

3. Knowledge refers to classified information which are applied in organizations and are used in decision makings and applied plans. The reason of priority and value of knowledge compared with data and information is in its practicality. For example, knowledge as compared to, can have more effective impacts on reduction of costs and designing new products than data and information.

   According to the definition of Daniel Bell (2004), knowledge is a set of premises constructed for realities and ideas including tested documents or results which are transmitted via communicative media (such as computers, the Internet, books, etc.) in a systematic form to others.

   Knowledge has a personal nature because it is a counterpart of values and beliefs of individuals and their perception of the world and others in relation with each other and systematizing it is difficult. Seizing and defining knowledge is difficult and its transmission is difficultly possible.

4. Reason refers to a stage in which in addition to applying information continuously and appropriately, i.e. the stage before knowledge, the power of learning, obtaining experiences and the power of selection based on certain principles and laws and with observing limitations of decision making and action plans are created in organizations.

5. Knowledge-creation: it is the most complete stage of knowledge and it refers to a state in which knowledge has been integrated in organizations and are distributed appropriately. Organizations are changed into productive or knowledge-creating institutions.

3. Methodology

The present study is an applied and in terms of collecting data method, it is a descriptive-survey study; it is descriptive because it is to identify how is the existence of phenomena and the effect of knowledge management on creating innovation. It is survey study because it can investigate the quiddity of the effect of knowledge management on creating innovation via surveying and referring to ideas of individuals in Municipality of Maku. Accordingly, firstly research aspects and issues related to knowledge management and then creating knowledge were investigated in the form of review of literature and then, using field studies, the data were collected for identifying these variables among managers, experts, and staff working in Municipality of Maku.

To obtain the reliability of questionnaires, Chornbach's alpha coefficient was used. Accordingly, first of all, the questionnaires were distributed among 30 individuals who had been selected randomly. Then, using the SPSS, the results were analyzed and the reliability obtained for the questionnaire was 0.88. This value indicates a high reliability.

Table 1: reliability calculation of questions related to each variable

Variables	Dimensions of questions
Knowledge management and creating innovation	0.89
Organizational culture	0.78
Strategy	0.87
Process	0.88
IT	0.85

For determining the reliability of the research instrument, first of all, it was tried that the questions of the research be extracted from scientific texts and questions be transparent, fluent, and easy to be answered. The content validity indicates that whether questions applied for measuring organizations are representing characteristics which are to be measured? Usually, content validity is evaluated based on ideas of experts and experienced. In the present study, to determine validity, judgment was used.

4. Research findings

Hypothesis one: there is a significant correlation between organizational culture and creating innovation.
H0: there is no significant correlation between organizational culture and creating innovation.
H1: there is a significant correlation between organizational culture and creating innovation.

$$\begin{cases} H_0: & \tau = 0 \\ H_1: & \tau \neq 0 \end{cases}$$

95% Lower

Table 2: Spearman correlation coefficient between organizational culture and creating innovation

Correlations			com	sat
Spearman's rho	com	Correlation Coefficient	1.000	.366**
		Sig. (2-tailed)	0.000	.000
		N	110	110
	sat	Correlation Coefficient	.366**	1.000

Table 3: calculations related to testing the first secondary hypothesis

Correlation coefficient	Sig.	Dependent variable	Independent variable
0.366	0.000	Creating innovation	Organizational culture

According to obtained results from the SPSS, regarding the fact that the calculated sig. is lower that 0.05 $(sig \leq 0/05)$; therefore, H0 is rejected. It means that there is a correlation between organizational culture and creating innovation. therefore, with the confidence 95%, hypothesis one can be confirmed.

Hypothesis two: there is a significant correlation between IT and creating innovation.
H0: there is no significant correlation between IT and creating innovation.
H1: there is a significant correlation between IT and creating innovation.

$$\begin{cases} H_0: & \tau = 0 \\ H_1: & \tau \neq 0 \end{cases}$$

95% Lower

According to obtained results from the SPSS, regarding the fact that the calculated sig. is lower that $0.05^{(sig \leq 0/05)}$; therefore, H0 is rejected. It means that there is a correlation between IT and creating innovation. therefore, with the confidence 95%, hypothesis one can be confirmed.

Hypothesis three: there is a significant correlation between strategy and creating innovation.

H0: there is no significant correlation between strategy and creating innovation.

H1: there is a significant correlation between strategy and creating innovation.

$$\begin{cases} H_0: & \tau = 0 \\ H_1: & \tau \neq 0 \end{cases}$$

95% Lower

According to obtained results from the SPSS, regarding the fact that the calculated sig. is lower that $0.05^{(sig \leq 0/05)}$; therefore, H0 is rejected. It means that there is a correltion between strategy and creating innovation. therefore, with the confidence 95%, hypothesis one can be confirmed.

Hypothesis four: there is a significant correlation between process and creating innovation.

H0: there is no significant correlation between process and creating innovation.

H1: there is a significant correlation between process and creating innovation.

$$\begin{cases} H_0: & \tau = 0 \\ H_1: & \tau \neq 0 \end{cases}$$

95% Lower

According to obtained results from the SPSS, regarding the fact that the calculated sig. is lower that $0.05^{(sig \leq 0/05)}$; therefore, H0 is rejected. It means that there is a correltion between process and creating innovation. therefore, with the confidence 95%, hypothesis one can be confirmed.

As follows, to prevent the repetition of stages of correlation coefficient, the results related to testing other hypotheses are summarily presented in the following table:

Table 5: findings related to testing research hypotheses

Decision making	Sig.	Spearman correlationc coefficient	Tested hypotheses	Hypotheses
Rejecting H0**	0.000	0.366	There is a significant correlation between organizational culture and creating innovation	H 1
Rejecting H0**	0.004	0.411	There is a significant correlation between IT and creating innovation	H 2
Rejecting H0**	0.000	0.425	There is a significant correlation between strategy and creating innovation	H 3
Rejecting H0**	0.004	0.756	There is a significant correlation between process and creating innovation	H 4

Conclusion and suggestions

a. Results obtained from the research findings

Research findings indicated that as predicted, there is a relationship between knowledge management and creating innovation in the organization. In addition, there is a significant and positive correlation between knowledge management and creating innovation.

b. Suggestions for further research

Relying on statement of the problem, objective, and review of literature, as well as other cases mentioned in the research, following cases can be suggested for doing future research in relation with the topic of the present study:

- Designing, developing ad institutionalizing other models of factors affecting knowledge management and creating innovation
- Designing, developing ad institutionalizing the mentioned model regarding the factors affecting other dimensions such as organizational learning, organizational information systems, etc. in Municipality of Maku
- Designing and developing factors or dimensions affecting knowledge management and creating innovation other than the variable group in the present study
- Implementing the present study with the presented conceptual model in other organization and comparing the findings of the above results

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