



The effect of Empowerment on knowledge management

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Abstract: Attitudes about employees as a Fixed costs has Changed. In the light of this idea this study looking at the relationship between the empowerment & knowledge management in SEPAH bank branches in Tehran province. collecting method of this study is the library approach. This applied research, has used 2 questionnaires, one of them is about knowledge management (Marshall) and other is about empowerment (Mishra). The formal validity of reliability with Cronbach's alpha 0.82 and 0.85 has proven gains, as it is used to collect data. The population for this study is 361 employees. In this study samples have selected by a randomized cluster sampling. Data analysis proving the non-normality of the data, and Spearman's test was used , and results indicate that there is a strong link between this coefficient.

Keywords: Knowledge management, Empowerment, Knowledge Sharing, Innovation, Competitive Advantage

Introduction

Organizational learning from the 1990s was the attention of many of academic, research and industrial centers, Which the main reasons for raising this topic is rapid changing of environment, and increased competitive pressures of globalization. There are many views about organizational learning, among them we can name Bennis (1960); Fayol and Layls (1985); Argyris and Morgan and Huber (1991); noise and Bargyn (1995); Tesang (1997); Bronz (2000) ; Watkins and Marsick (2002); Redding (2004) ; Zhang (2009) ; son (2010). Their different component is organizational learning; and what they have in common is that, if they are practically used in the organization, they can lead to improvement in the case of business organization. Knowledge management and empowerment are key components of organizational learning. Garca-Morales et al (2007) define organizational learning as capability to maintain and improve company's performance based on past experience and this capability as acquisition and exploitation ability of implicit and explicit knowledge, sharing and using knowledge in the organization. Thus, knowledge management creates value for the organization through changing intellectual assets into organized human capital. Sub-system knowledge in a learning organization refers to acquisition management and knowledge production in the organization.

This subsystem includes the acquisition, creation, storage, analysis, data analysis, transferring, publishing, using and

validating of knowledge. Knowledge management is the beating heart of a learning organization. Successful learning

Organizations systematically and technologically direct knowledge through all six stages of creation, acquisition, storage, transmission, distribution, data analysis. Empowerment is a modern and effective technique for improving organizational productivity by taking advantage of the employees. Employees through knowledge, experience and their motive power own hidden power and in fact empowerment is releasing this power. Marquardt (2002), individual's empowering subsystem includes employees, managers / leaders, customers, business partners (suppliers, vendors) and the community. Each of these groups is valuable and needed for empowering and directing

.Managers and leaders as learners, guide, supervise and model roles, along with creating responsibility and promoting learning opportunities for human resources under their supervision. It is expected from empowered learners to learn, merit their future plans, take action and risk and also

solve problems. Clients participate in identifying needs, training and associating with organizations 'learning. Components and elements of Marquart's model and its relationship with empowerment and knowledge management are shown.

Bose (2004) defines knowledge management as the recording, refining, distribution and application of knowledge. These five factors in knowledge management area provide education background, feedback, retraining which is usually used for creating, recording, refining, distribution and organization resuscitation organization's capabilities. Hovland (2003) in an investigation of knowledge management and organizational learning as an international development perspective expressed as followed:

Integrating knowledge management and organizational learning aims at improving productivity and profit with measuring production quantities. In the development section organizational productivity is also ambiguous. Hong

Chao (1999) in an investigation titled "knowledge management in learning organization", found out that: nowadays,

organizations are forced to be innovative in managing and innovation principles is acquired through sustainable through continuous learning and learning is created through knowledge sharing among employees and customers.

Empowerment means to empower the employees which means to help them strengthen their self-confidence, overcome the feeling of helplessness and inability and to give them strength and motivation (Whetten & Cameron, in empowerment, 1998). More autonomy and freedom of action and decision-making responsibility is delegated to

staff. In other words, vertical productivity and other similar methods for increasing employees' freedom of action, is

called empowerment (Huczynski and Buchanan, 2001).

Empowerment refers to a collection of motivational techniques that seek to increase the level of employee involvement to improve their performance. A main characteristic of empowering employees is aligning individual and organization's targets (Vecchio, 2000). In empowerment, staff not only requires authority but also sufficient

training and financial validity and other basic information. to be accountable in their decision. Others define empowerment a form of decentralization that involves transfer of authority to empower fundamental decision-making to subordinates (Rue & Byars,2003)

In order to understand the concept of value creation defining the concept of value is essential. There are two types of value organizational level: Use value and exchange value.

Using value refers to the special quality of a job, task, product or service users consider it in relation to their needs, such as speed or performance, or forms or a new job and personal and mental characteristics. Exchanging value means the amount of money obtained in a specified period of time, exchange of duty, work, new product or service or as the amount paid by the customer to the vendor to use its duty value, work, product or service (Lypak and smite, 2000).

Researchers did some analysis on the value creation of task-oriented approaches. Basic premise of this approach is that companies with the help of their colleagues can do a set of activities that will lead them to create commercial value "accumulation of knowledge, creating new resources and develop new activities" (Harris and Wheeler 2005, p. 188). Value means that an organization's approach towards all stakeholders, especially in the customer- and customer is the basis for all its activities and processes. Therefore the organization offers products and services that meet customer needs. In The plan of creating value for customers, non-value activities are eliminated and the chain began its activities and processes with the customer's needs and desire and finishes with their satisfaction (Binesh, 2011, p.8). From the view point of the organization value is created when organizations use methods, raw material in their new activities. Therefore in this view new and creative activities influence value creation process. From the perspective of customer value creation is done when the total advantages of the customer is more than what he pays. Benefits include goods, services, video communications, positive mental pictures, and costs include financial costs, time costs, energy costs and the mental costs. Thus, if we increase or decrease any benefit, we can increase value creation for the customer (Porter, 1985). Among organizations that practically run organizational learning and are successful in this field are Hyundai, Samsung, Motorola, xerox, and DuPont.

Value models are: 1 - The component value model, the cost - benefit, vehicle model - the model and the key dimensions of value. From the perspective of cost-benefit ratio of component models, in terms of customer benefits

is defined in relation to costs paid to obtain the desired results. In the vehicle model – they make use of goods in order to obtain favorable results. Goods and service properties and its using outcomes and also customer individual values forms his decision. Key aspects value model includes the functional value (utility economics), social values

(social desirability), the emotional (psychological and emotional consequences) cognitive value (product novelty)

value position (decision making condition) (Naeab-Zadeh, 2010) .Efficient methods is created in order to measure

and increase customer lifetime value and in general is called customer value management. This approach enables

companies through reducing risk, increase customer retention and compensation for the costs to attract customers to

business in each customer to maximize profitability. Therefore there are three important factors to measure value:

Costs, recognizing the potential value of customers and customer needs. If an organization does not consider these

principles in the analysis of their customers, they get a valuation error. This error leads to inappropriate management

of decisions and wrong allocation of resources and ultimately reduced income, inadequate growth and loss of competitive strength (Messgar- Moghadam, 2010).

Industrial market consists of all individuals and institutions that make use of certain goods and services for other goods and services.Industrial marketing is defined as those activities and business activities that facilitate exchanging process among producers and organizational customers. Nature of industrial marketing can create value for customers by offering goods and services that fulfill the needs of the organization and gives them goals (Cutler and Armstrong, 2006, p.335). In comparison with goods' marketing, industrial customers used services is more important for services such as in time carrying or goods' accessibility, because any delay in supply has an important impact on their production and activities (Havaladar,2006, p5). lopez and jose (2009) investigated the impact of organizational learning on value creation in the commercial markets with three objectives: 1 - analysis of organizational learning on the potential value for the customer 2-Description of the impact of organizational learning on the commercial performance 3-Test the modified turbulent market commercial performance in learning organizations. They test Paynu and Hilt model in a sample of 181 top companies in, Spanish, and concluded that organizational learning in the absence of turbulence has no direct and positive impact on customers' ability in value creation.

Methods

This study is a descriptive- survey and in terms of target is applied. To test the reliability of the questionnaire, the Cronbach's Alpha was used. Thus, at first the questionnaire was distributed among 30 persons, and then the collected data was tested and was confirmed by calculating Cronbach's alpha reliability. Cronbach alpha questionnaire of job satisfaction consisting of 23 questions is equal to 0/91. The organizational commitment questionnaire that is containing 23 questions, amount of Alfa was calculated 0/90 (Tables 1 and 2).

Cronbach alpha	Number of questions
0.91	23

Table 1: Test the reliability of the questionnaire of job satisfaction

Cronbach alpha	Number of questions
0.90	23

Table2: Test the reliability of the questionnaire of organizational commitment

Results

Skewness values observed for the variable R is equal to 2.728 in the interval (2, -2) is located. In terms of the curvature of the non-normal variables and their distribution is asymmetric. The strain is also in the range of 2.243 (2, -2) is located. This shows the distribution of the variables are not normal strain. (Table 3)

Table 3 (calculated stretching and skewness of the data)

	N	Minimum	Maximum	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
variables	361	1.00	5.00	-2.728	.136	2.243	.271
Valid N (listwise)	361						

In order to analyze the data collected from the questionnaires, descriptive and inferential statistical methods with the help of the software is used. According to measurement results, the data that has been done with Asmyrynf Kolmogorov test, the data abnormal it is proved (see Table 4)

Table 4 (Asmyrynf Kolmogorov test to assess the normality of the data)

Result	Significant level	z	variables
Accept the null hypothesis	0.080	1.57	H0: data, knowledge management variables followed a normal distribution .
Accept the null hypothesis	0.123	1.70	H1: the data are not normally distributed variables of knowledge management .
Accept the null hypothesis	0.090	1.66	H0: variable reliability data followed a normal distribution .
Accept the null hypothesis	0.123	1.57	H1: the data are not normally distributed variable of trust .
Accept the null	0.166	1.78	H0: variable data merits of a normal distribution.

hypothesis			
Accept the null hypothesis	0.778	1.69	H1: the data are not normally distributed variables merit .

Since the measure of all variables, is less than 0.05 (0.95 confidence level) the null hypothesis that the result is based on data normality , is accepted. Given that both variables are used in each hypothesis of abnormal distribution and taking into account the purpose of the test, on the assumption that the measurement of Tasyrnd Spearman test has been used. the 01/0> P exists and the null hypothesis is rejected. So we can say with confidence that 99 / 0 is much greater empowerment of knowledge management in the organization will also have a higher correlation of 750 / 0 , indicating that this effect is very high (Table 5).

Table 5: Correlation between knowledge management and employee empowerment

indexes Variables	Correlation type	Value of correlation	Direction of correlation
Knowledge Management and Empowerment	Spearman	0/750**	positive

**P< 0/01

On the other hand, the correlation between the components of knowledge creation, knowledge, distributed knowledge, application of knowledge, transfer of knowledge and evaluation of staff Vtvanmndsazy respectively, 666/0, 662/0, 685/0, 585 /, 449/0 and 480/0 and it represents a significant and positive relationship between knowledge management and employee empowerment for all components of the 01/0> P there. So you could say anything more, shall apply KM initiatives, empowering employees will increase (Table 6).

Table 6: Correlation between empowerment and KM

Assessment of Knowledge	Knowledge Transfer	Application of Knowledge	Distributed Knowledge	Knowledge Displayed	Knowledge creation	Variables
					0/666**	
				0/662**		Empowerment
			0/685**			Empowerment
		0/585**				Empowerment
	0/449**					Empowerment
0/480**						Empowerment

As can be seen from the study of the Spearman hypothesis has been Spearman correlation coefficients ($0.646 = r$), and this indicates that it is a significant positive relationship between knowledge management and efficiency, the $0.01 > P$ exists and the null hypothesis is rejected. So we can say that with confidence 99 / 0 will boost the effectiveness of knowledge management will increase the correlation of 0.646 / 0, indicating that there is a high correlation between the coefficient (Table 7).

Table 7: Correlation between knowledge management and effectiveness

indexes Variables	Correlation type	Value of correlation	Direction of correlation
Knowledge Management and Empowerment	Spearman	0/646**	positive

0/01P

On the other hand, the correlation between the components of knowledge creation, knowledge, distributed knowledge, application of knowledge, transfer of knowledge and evaluation of the effectiveness of the Specification Order 0.542 / 0, 0.483 / 0, 0.480 / 0, 0.472 / 0.412 / 0 and 0.442 / 0, indicating that a significant positive relationship between KM and the right choice of $0.01 > P$ there. So we can say that the degree of effectiveness Balatrashed, the greater the knowledge management component (Table 8).

Table 8: Correlation between the characteristics and effectiveness of KM

Variables	Knowledge creation	Variables	Knowledge creation	Variables	Knowledge creation	Variables
					0/542**	Effectiveness
				0/483**		Effectiveness
			0/480**			Effectiveness
		0/472**				Effectiveness
	0/412**					Effectiveness
0/442**						Effectiveness

Conclusions

To evaluate the effectiveness of knowledge management enabling effect of using the Spearman correlation coefficient and Spearman ($0.646 = r$), and this indicates that it is a significant positive relationship between knowledge management and efficiency, the $0.01 > P$ exists and the null hypothesis is rejected. So we can say that with confidence 99 / 0 will boost the effectiveness of knowledge management will increase correlation 0.646 / 0 indicates that there is a high correlation between the coefficient On the other hand, the correlation between the components of knowledge creation, knowledge, distributed knowledge, application of knowledge, transfer of knowledge and evaluation of the effectiveness of the Specification Order 0.542 / 0, 0.483 / 0, 0.480 / 0, 0.472 / 0.412 / 0 and 0.442 / 0, indicating that a significant positive relationship between KM and the right choice of $0.01 > P$ there. So we can say that the degree of KM effectiveness also higher.

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