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The Study of Social Capitals Effets on Knowledge Managmnt Fo Aghajari Oil & Gas Exploration Company

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ABSTRACT

One can think of knowledge as the only well known wealth that can actually benefit from sharing. The concept of social capitals focuses on the interaction and communication of individuals within the organization which as an essential asset can assist in knowledge management and result in establishment of a sustainable competitive advantage for organizations. Regarding the importance and position of Aghajari Oil & Gas Exploration Company in society, the current research aims to study the effects of social capitals in development of knowledge management. Given the stated purpose of the research, the question is "how social capitals influence the development of knowledge management?" To answer this question, a hypothesis is introduced indicating that "social capital has influences on the development of knowledge management". 8 subsidiary hypotheses are also introduced beside main hypothesis. To test the hypotheses, for the statistical community, 367 persons are selected as samples. Using simple random sampling, survey questionnaires are distributed randomly and a total of 367 questionnaires are analyzed. The standard questionnaire of Nahapyt and Ghoshal (1998) and the standard questionnaire of Taguchi-Nonaka (1995) are used to collect the data. The obtained data are analyzed using Regression test by means of SPSS software for two independent groups to examine the role of the demographic variables in the comments of respondents, and the K-S test to evaluate the normality of the analyzed data. The results of main hypothesis test show that the development of Knowledge Management is influenced by social capital at a 95% level of confidence. Testing the subsidiary hypotheses suggests that network connections, network status, good organization, trust, norms, requirements, identity, language and development of common codes have influences on development of the knowledge management. The findings suggest that the level of education, gender and age do not affect employees in their comments.

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INTRODUCTION

The costs of data management have significantly reduced due to the recent advancements in information technology. These developments have brought up concepts such as learning organization, knowledge organization and knowledge management into topics of management and organization. By employing knowledge management strategies, organizations can enable innovation in processes, activities, products and services which can be resulted in improving their competitive position. The present business environment is rather dynamic, challenging and competitive which requires moving toward learning organizations in order for the organizations to succeed in such circumstances. Today, the knowledge required for innovation in products and improvement in processes must be gained by organizations in order to be transmitted to their employees and thus it can be applied in their daily tasks. In this way, they can respond to the requirements of the competitive environment as well as their differing customer needs. Employing intellectual capitals in organizations begin with identifying the effective factors on knowledge management. On the other hand social capitals, as a modern concept, play a far more important role in organizations than the physical and human sources. Nowadays the concept of social capital has been widely used in sociology and economics, and most recently in management

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and organization. The concept of social capitals recognizes the bonds and communication among members of the network as a valuable source which with combination with creation of norms and mutual trust would lead to achieving the goals of the members. In the absence of social capitals, other capitals would lose their effectiveness which will hinder the way to economic and cultural development. Social capitals, at both the macro-level management and organizational management can provide better guidance in helping administrators by new understanding of the social-economic systems. Considering the importance of knowledge management in organizations, current research seeks to achieve a better understanding of the factors affecting the proper implementation of this strategy. Researchers have tried to realize the relationship between knowledge management and social capitals based on their definitions and dimensions in the communication and interaction between individuals. The relationships between social capitals with four core activities of knowledge management's, including Knowledge acquisition, records of knowledge, knowledge transmission, knowledge creation and application of knowledge are also investigated along with the effects of social capitals on the knowledge management. In a general classification, knowledge is comprised of the knowledge of individuals or organizational knowledge. Individual knowledge contains within the minds of the people whereas organizational knowledge is formed by the interaction of technologies and techniques with individuals in an organization. Organizational knowledge is itself divided to implicit knowledge and explicit knowledge. Explicit knowledge is organized which its content is fixed and can be distributed through the use of information technology, coding and compilation. It is also widely accessible through various means such as the databases and manuals in libraries. In contrast, implicit knowledge is personal, cognitive, and depending on the context which is contained within the individuals' minds. If one compares the knowledge to a floating iceberg, the explicit knowledge would resemble the visible part of iceberg whereas the implicit knowledge refers to the underwater part of it. Values, ideas, insights, and intuitions are examples of implicit knowledge in organizations. Such definitions of organizational knowledge reveal the importance of human element and the communication between them in an organization. believes that knowledge management is included of organizational processes that look for the combined synergy of data processing and human capacities in order to establish creativity and innovation. Bukowitz & Williams define knowledge management as a process through which an organization uses its intellectual and knowledge based assets to generate wealth. In the experimental research of Chong *et al.* (2000) refer to the implementation of skills and knowledge with support of information technology in organizations as the knowledge management, whereas Bhatt defines knowledge management as the process of creating, delivering, distributing and implementing of knowledge by individuals. Despite all the differences in these efforts in defining knowledge management it seems that they are all in the same context: The procedure of processing knowledge among the people as a means to achieve innovation in operations, products and services, effective decision making, and adaptation to the dynamic environment and competitive market. The concept of organizational knowledge management system can give a better and complete understanding of knowledge management and its main elements. It facilitates the exchange and distribution of knowledge through the system (either implicit or explicit) which can promote and improve the organizational learning process (Meso and Smith, 2000). This system is a complex combination of technological infrastructures, organizational structures, organizational cultures, knowledge, and individuals. The technological infrastructures are IT tools (including hardware, software, and protocols) which provide electronic versions of institutional knowledge and facilitate the exchange and transfer of knowledge. Organizational structures are procedures in which staff teams and groups within the organization (formal or informal) are organized and can interact with each other in order to pursue a range of roles and purposes in connection with the strategies of organization. Organizational cultures consist of shared values and norms, ethics, and behavior and actions within the organization. Knowledge is included of all kinds of organizational knowledge (implicit or explicit) that are available to an organization or public agency staff. All the beneficiaries inside and outside the organization are referred as individuals. Among all these elements, employees are the most important element in knowledge management systems. Thus employees in the organization are the main element of the organization's knowledge management which is widely supported in literature.. The information technology is a tool to support the processes of human interaction and coordination among organization and facilitates the flow of knowledge and its application.

In other words, the effective implementation of knowledge management processes depends on and human communications and interactions.

The organizations can be more effective in knowledge management by increasing interactions among their employees and organizational units and within their groups. Therefore, it will increase the possibility of creating new knowledge which can be transferred and also exchanged among the individuals. In other words, an essential requirement of knowledge management is an environment in which the communications and interactions are encouraged.

Effective communications and interactions would also create an environment of mutual trust among which leads to the concept of social capitals. Social capitals are the basis in which the relationships between individuals and organizations are described [3] defines social capitals as an enormous amount of potential and actual sources which is linked with integrated networks base on institutional relationships mutual understanding

and knowledge. According to the definition of Nahapiet & Ghoshal, in understanding the concept of social capitals the concept of "network of trust" and "radius of trust" are of fundamental importance. Network of trust includes relationships in which individuals use the same norms and values based on mutual trust information and exchange among themselves. Therefore mutual trust is a key role in facilitating operations, increasing profits and reducing the costs related to these interactions. The radius of trust means the extent of cooperation and trust between members of a group. All social groups have a certain level of trust; however the greater radius results in higher amount of social capitals in the group. The radius of trust can be internal in which more people are included as well as external in which members of group can expand the radius of their trust with a positive extraversion towards the members of other social groups. Social capitals form through the external trust. In other words, the more wider, stable, and deeper is the relationships among people, the more higher the social capital will be.

- *Social capitals and knowledge management:*

As mentioned, the transferring of information and knowledge between individuals and organizations at both macro and micro levels depends on the people that would facilitate and accelerate this transition. Thus, all the effective factors on interactions between individuals either encouraging or preventing it would affect information transactions as well. For this reason importance of trust-based relationships and interactions among individuals is emphasized in the development and application of knowledge. If the organization can be more effective interaction among the organization employees and organizational units and within its groups further increase the effectiveness of information exchange among the individuals and thus ensure effective management of organizational knowledge. Hove *et al* have investigated the impact of individual motivation and social capitals on the willingness of staff to share implicit and explicit knowledge in a variety of industries. The result has shown that the organizational bonuses tend to have a negative impact on sharing of implicit knowledge, but also has a clear positive impact on the willingness to share knowledge. Social capitals have also been shown to influence the sharing of knowledge. Chu & Chan have studied the relationship between social capitals and knowledge sharing in various companies in which the aspects of social capitals are assumed to be social networking, social trust and shared objectives whereas a rather general concept is adopted for knowledge management. The results show that social networks and shared objectives have a meaningful relationship with sharing of organizational knowledge whereas social trust has no direct effect. Alvani has investigated the role of social capitals in the development of knowledge management in Iran Data processing corporate and concluded that the development of knowledge management is influenced by organizational social capitals especially by creativity and transition of knowledge aspects. In addition, in most of researches only one of the variables is discussed whereas according to what has been stated, current study tries to make the link between social capitals (including cognitive, structural and relational) with knowledge management procedures (including: externalization, combination, internalization and socialization aspects) in the Aghajari Oil & Gas Exploration Company.

2. Research Methodology:

Current research seeks to examine the influence of social capitals on knowledge management and therefore it is a causal research. The study also is a survey of limited period of time. Methods of data collection are library and field methods. The Library is used to study the theoretical literature and history. Questionnaires as one of the most common tool are used in surveys to collect the field data. In this research, data collection in the library method is comprised of primary and secondary sources including books, articles, theses and the Internet. The field tool is questionnaires which are performed in several times by sampling the society. The statistical society is comprised of 5400 employees of Aghajari Oil & Gas Exploration Company with high school and higher level of education. A sample size of 367 subjects were selected by simple random sampling using the Krjsey and Morgan table

3. Research findings:

In what follows we investigate the responses to each of the components of research specifically. In other words, we intend to seek the opinion of staff about the components in question. Since 5-point Likert is used for the range for each of the questions, the mean value response is 3. Therefore if the mean value of answer to a component is more than 3, it is assumed that the component status is quite good in employees' opinion. So we choose the null hypothesis as the status of each component is moderate that is, the mean value response equals to 3. One-sample t tests are used for the test and the amount 3 is assigned to the test (The mean of each component is equal to 3). Then the test is performed at a significance level of 5% and the obtained results are as in the following tables. If the significance level calculated from the test is less than 5 % it is concluded that the test is meaningful.

- *The status of employees in terms of social capitals:*
what is the status of respondents in terms of social capitals?

The results of this analysis are presented in Table 1. As it can be seen, the null hypothesis that the mean structure is equal to 3, has been confirmed. The significance level is smaller than 05% which shows the organizational structure of the organization is desirable and more than 3.

Table 1: One-sample t-test results for social capitals.

variables index	Mean value	count	Standard deviation	T	Degree of freedom	Significance level
Social capitals	2.95	350	0.48	1.74	349	0.082

- *The status of employees in terms of knowledge management:*

-what is the status of respondents in terms of knowledge management?

The results of this analysis are presented in Table 2. As it can be seen, the null hypothesis that the mean structure is equal to 3 has been confirmed. The significance level is smaller than 05% which shows the organizational structure of the organization is desirable and more than 3.

Table 2: One-sample t-test results for Knowledge management.

variables index	Mean value	count	Standard deviation	T	Degree of freedom	Significance level
Knowledge management	3.38	350	0.60	12.03	349	0.00

The results of the single-sample t-test for variables and their aspects are summarized the table below:

Table 3: test results of the analysis of the current status of research variables.

variable	Quality of desirability
Knowledge management	desirable
Social capitals	desirable

4. Testing the hypothesis of research:

In this section, the hypothesis is investigated with taking appropriate analysis. Pearson correlation coefficient is used to assess the presence or absence of a relationship between the variables discussed.

- *Pearson correlation coefficient:*

-there is a meaningful relationship between knowledge management and social capitals.

To test the above hypothesis, Pearson's correlation coefficient is used while the null hypothesis is assumed to be the absence of a significant linear relationship between knowledge management and social capitals (ρ is the society correlation coefficient). By performing the test at a level of 05% of significance, the driven results are as follow:

Table 4: The correlation coefficient between the variables of the knowledge management and knowledge management.

Criterion variables	Statistical index Predictive variable	Correlation coefficient	probability	Sample count
knowledge management	social capitals	0.349	0.00	350

According to table the correlation coefficient is 0.349 and level of significance is 0.00 which is less than the level of significance of the test (0.5) and therefore it rejects the null hypothesis of the test. The conclusion of which is that there is a linear relationship between the two variables listed meaning that the test is significant. It can also be observed that the correlation coefficient is positive, indicating that this is a direct relationship between knowledge management and social capitals.

5. Discussions and Conclusions:

Research hypothesis suggests that the social capitals have impacts on the knowledge management which is confirmed by the results of the regression analysis on the data. The results are in agreement with the results of Bordbar and Zeraee. In their work, entitled as "Effect of organizational social capitals in promoting knowledge management in Yazd Province Welfare Organization" it is found that there is a positive and meaningful relationship between social capitals and knowledge management development in which leads to a Acquisition, creation and transfer of knowledge in organization. Research foundings of Mahdin -Raad and Fazli (Case Study: State Organization of Tax Affairs) also supports the existence of a meaningful relationship between social capitals and knowledge management. In standard mode, the graph also shows that social capital will account for 86 % changes in knowledge management. Social capital is accounted for 47% changes in knowledge creation and 43% changes in the sharing of knowledge in the case study. And finally they suggest that coordinators can improve the design of appropriate control measures of social capitals in order to establish development in knowledge management and organizational aspects of the tax affairs of the country. In a study

entitled as "The role of social capitals in developing the knowledge management" by Alvani *et al.* it is shown that social capitals in Iran Data Processing company has been effective in the development of soft knowledge management aspects (such as the activities of creating and transferring the knowledge) whereas no meaningful relationship has been observed for the effects on hard knowledge management aspects (including earning, recording and applying the knowledge). Adler and Kahn in their study showed that there is a significant relationship between social capital and knowledge transfer. Lander *et al.* have attained the relevant evidence regarding the relationship between social capital and knowledge. However, in their research, knowledge management is considered in general without detailed study of its aspects. Tymon & Stumpf in their study showed that the role of social capital in improving knowledge management, results in higher business performance in an organization. Nonaka in a study shows the role of leadership, cultural systems, flexible organizational structure, cultural factors and their coordination in encouraging people to express new ideas and thoughts as well as the creation and sharing of knowledge within working groups. In today's global competition in industries and social services quick access to timely and authoritative knowledge is a competitive advantage for organizations which can be achieved through essential implementation of knowledge management in organizations and also by identifying effective factors on this matter. Therefore identifying the effective factors is an initial step for establishment of an effective application of social capitals. On the other hand the rather new concept of social capital plays a much more important role than physical and human capitals in organizations and communities. In the absence of which there won't be an effective sharing of knowledge between staff which will hinder succeeding of any knowledge management plans. Thus social capitals play an essential role in making the process of knowledge management work. From a long time ago, considering organizations as social players and careful considerations of needs and issues by experts have established a suitable situation for the development of social capitals within the organizations. Therefore, in this study, researchers have been trying to analyze the concept of social capitals and their effects on knowledge management in the Aghajary Oil & Gas Exploration Company based on the approach of Nahapiet & Ghoshal. The results of this study demonstrate compliance with the comments of the experts. The results suggest that there is a positive and meaningful relationship between social capitals and knowledge management. The social capitals have great impacts on the development of knowledge management in the Aghajary Oil & Gas Exploration Company.

6. Suggestions for future research:

The following research topics can be suggested due to the results of current research:

1. Generalization of these results by carrying out this work in other organizations (manufacturing and services)
2. Comparative studies in other areas of country
3. In addition to organizational structure, the study of environmental, organizational and individual variables can also be the subject of further investigations in order to obtain higher predictable variance.

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