



A Study of the Relationship between Knowledge Exchange and the Insurance and Financial Performance of Iran Insurance agencies in Kohgiluyeh and Boyer Ahmad Province

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A Study of the Relationship between Knowledge Exchange and the Insurance and Financial Performance of Iran Insurance agencies in Kohgiluyeh and Boyer Ahmad Province

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ABSTRACT

The purpose of this study is to investigate the relationship between knowledge sharing and financial performance of Iran Insurance agencies in Kohgiluyeh and Boyer Ahmad Province. This is an applied research in terms of purpose, a descriptive-correlational research in terms of nature and method, and a cross-sectional research in terms of time. The study population consists of the Iran Insurance Agency Personnel in Kohgiluyeh and Boyer Ahmad Province in 2016 with a total number of 110 employees, among whom 92 employees were selected as the sample size using Morgan Table. The non-random (convenience) sampling method was used in this research. The data collection tool used in this study was a questionnaire, the validity and reliability of which were confirmed in a preliminary study. Descriptive and inferential statistical methods such as the mean, standard deviation, median, mode, Pearson correlation coefficient and multiple regression have been used for data analysis. The data were analyzed using the SPSS software. The results of the research showed that all dimensions of knowledge exchange (knowledge sharing, knowledge creation, knowledge use and knowledge storage) have a significant relationship with financial and insurance performance of Iran Insurance agencies in Kohgiluyeh and Boyer Ahmad province. The regression analysis also showed that knowledge storage has the highest role in financial and insurance performance of Iran Insurance agencies in Kohgiluyeh and Boyer Ahmad Province with a beta of 0.408 and 0.476.

Keywords: financial performance, insurance performance, knowledge exchange, knowledge sharing, knowledge creation, knowledge use, knowledge storage.



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1. INTRODUCTION

We are nowadays living in an environment that is increasingly moving towards a service-based economy. Services are no longer considered a small part of the economy, but as the heart of value creation in the economy. In the age of communication and technology, knowledge is the vital source of organizations in competitions and a factor for achieving a sustainable competitive advantage. This is why different organizations and companies have started in recent years to join the knowledge process in such a way that new concepts such as knowledge work, knowledge management, and knowledge organizations indicate the intensification of this trend (Keshtkar and Ghazanfari, 2017).

Flexibility and rapid response to changing environmental conditions, better use of human resources and the knowledge available to them, and better decision-making are among the achievements of knowledge management for today's organizations. Today's scientists consider knowledge as part of the intellectual capital, rather than among the tangible assets of the organization. Knowledge management is in fact the past memory of the organization, which is needed as a reliable predictor for dealing with continuous and everlasting environmental changes (Abbasi and Maleki, 2010).

The complexity of the twenty-first century world has accelerated the atmosphere of revolution, and those who cannot learn, adapt, and accept changes will be destroyed easily. Learning will save us through the management of organizational knowledge. Organizations which share more knowledge will be more successful in response to the changing environments and the new capabilities that allow them to perform better (Keshtkar, 2013).

In the age of communication and technology, knowledge is the vital source of organizations in competitions and a factor for achieving a sustainable competitive advantage. This is why different organizations and companies have started in recent years to join the knowledge process in such a way that new concepts such as knowledge work, knowledge management, and knowledge organizations indicate the intensification of this



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trend. Peter Drucker used these terms to introduce a new type of organizations where the power of mind rather than the arm strength dominates (Drucker, 2009).

Today, knowledge, learning and innovation are the most important factors affecting the competitiveness and economic growth of the countries of the world. Globalization and the growing importance of knowledge in global competition have increased the need for faster transfer of knowledge and understanding and its application in human life (Zayman, 2001).

Following the rapid and continuous changes in information technology and the Internet, traditional business models have to adapt to the business environment and today's organizations need to effectively move towards knowledge-based resources in order to survive the competitions and gain competitive advantage globally (Keshtkar, 2013).

Considering the above-mentioned points and the fact that most insurance companies are managed in old and traditional ways, these companies feel the need to develop knowledge work and knowledge sharing in different areas including organizational innovation in order to improve their performance in financial, economic and insurance indices. The Iran Insurance Company is no exception and needs planning and operation in this regard. Therefore, considering the need for knowledge work and knowledge exchange among insurance agencies Iran Kohgiluyeh and Boyer Ahmad Province and the fact that there exists a research gap in this area, the researcher has sought to perform a study in this area, seeking to answer the question whether there is a significant relationship between knowledge exchange and the financial and insurances indices of Iran Insurance agencies in Kohgiluyeh and Boyer Ahmad Province.

2. LITERATURE REVIEW

Hashemi et al. (2016) investigated the relationship between strategic HR management and innovative performance with a knowledge management approach. The findings of this research showed that human resource management has an impact on organizational innovation, and strategic HR management affects knowledge management, and knowledge management influences organizational innovation.

Shafiei Nikabadi et al. (2015) investigated the effect of knowledge management process capabilities on innovation performance in advanced technology companies. Their study



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indicated the significant effect of knowledge management process capabilities on innovation process and innovation performance, but the hypothesis related to the significant effect of innovation process on innovation performance and, consequently, the indirect effect of process management capabilities of knowledge on innovation performance was not confirmed.

Ming Pao (2011) conducted a study entitled "Using knowledge management systems to cooperative learning", highlighting the importance of knowledge in the organization in creating numerous benefits and enhancing the organization's ability. They concluded that maintaining a favorable economic market and obtaining sustainable competitive advantages require attention to knowledge-based activities include knowledge is the vital source of organizations in competitions and a factor for achieving a sustainable competitive advantage. This is why different organizations and companies have started in recent years to join the knowledge process in such a way that new concepts such as knowledge work, knowledge management, and knowledge organizations indicate the intensification of this trend (Drucker, 1999). Creation, storage, sharing, transfer, and use, and it is important to foster effective knowledge management.

Miranda et al. (2011) conducted a study entitled " Stocks and flows underlying organizations' knowledge management capability: Synergistic versus contingent complementarities over time", coming to the conclusion that the components of knowledge management capabilities have a significant positive effect on different types of organizational performance.

3. RESEARCH METHOD

This is an applied research in terms of purpose, a descriptive-correlational research in terms of nature and method, and a cross-sectional research in terms of time. Library studies and fieldwork have been used in this study for data collection. The main measurement tools used in this research is the Knowledge Management Questionnaire adapted from Bidokhti (2010), which contains 20 questions and is measured using the five-point Likert scale (very high, high, moderate, low, very low), and a questionnaire for measuring financial and insurance indices derived from Yousefi et al. (2011) containing 15 questions. The Cronbach's alpha coefficients of the questionnaires were 0.89 and 0.84



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respectively. The non-random (convenience) sampling method was used in this study. The Kolmogorov-Smirnov test was also used to examine the normal distribution of the variables. Descriptive and inferential statistics (Pearson correlation coefficient and multiple regression) by means of the SPSS software were used for data analysis.

4. FINDINGS

4.1. The first main hypothesis

There is a significant relationship between knowledge exchange and financial performance of insurance agencies in Kohgiluyeh and Boyer Ahmad province.

The Pearson Correlation test (Table 1) shows that the correlation coefficient is 0.676, which is significant at the 0.001 level. Therefore, it can be concluded that there is a significant relationship between knowledge exchange and financial performance of Iran Insurance agencies in Kohgiluyeh and Boyer Ahmad Province at the 99% confidence level.

Table (1): Results of the test of correlation between knowledge exchange and financial performance

variable	financial performance		
	Pearson	level of	frequency
knowledge exchange	Correlation coefficient	significance	92
	0.676**	0.001	

**significance at the 99% level; *significance at the 95% level

4.2. Sub-hypotheses

The Pearson Correlation test (Table 2) shows that there is a significant relationship between the dimensions of knowledge exchange (knowledge creation, knowledge sharing, knowledge deployment, knowledge storage) and financial performance of Iran Insurance agencies in Kohgiluyeh and Boyer Ahmad Province at the 99% confidence level.

Table (2): Results of the test of correlation between knowledge exchange dimensions and financial performance



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variable	financial performance		frequency
	Pearson	level of	
Knowledge creation	Correlation coefficient	significance	92
	0.478**	0.004	
knowledge sharing	0.581**	0.001	
knowledge use	0.601**	0.001	
knowledge storage	0.633**	0.001	

**significance at the 99% level; *significance at the 95% level

4.3. The second main hypothesis

There is a significant relationship between knowledge exchange and insurance performance of Iran Insurance agencies in Kohgiluyeh and Boyer Ahmad Province.

The Pearson Correlation test (Table 3) shows that the correlation coefficient is 0.735, which is significant at the 0.001 level. We can thus conclude that there is a significant relationship between the dimensions of knowledge exchange and the financial performance of Iran Insurance agencies in Kohgiluyeh and Boyer Ahmad Province at the 99% confidence level.

Table (3): Results of the test of correlation between knowledge exchange and insurance performance

variable	insurance performance		frequency
	Pearson	level of	
knowledge exchange	Correlation coefficient	significance	92
	0.735**	0.001	



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4.4. Sub-hypotheses

The Pearson Correlation test (Table 4) shows that there is a significant relationship between the dimensions of knowledge exchange (knowledge creation, knowledge sharing, knowledge deployment, knowledge storage) and the insurance performance of Iran Insurance agencies in Kohgiluyeh and Boyer Ahmad Province at the 99% confidence level.

**Table (4): Results of the test of correlation between knowledge exchange
dimensions and insurance performance**

Variable	insurance performance	
	Pearson Correlation coefficient	frequency level of significance
knowledge creation	0.586**	0.002
knowledge sharing	0.599**	0.001
knowledge use	0.611**	0.001
knowledge storage	0.704**	0.001

**significance at the 99% level

Considering Table (5) and the levels of significance, we can conclude that there is a significant relationship between knowledge exchange and the insurance performance of Iran Insurance agencies in Kohgiluyeh and Boyer Ahmad province. The calculated beta that determines the effect of the variables regardless of the index shows that the knowledge storage variable, with a beta of 0.408, has the greatest impact on the financial performance of Iran Insurance agencies in Kohgiluyeh and Boyer Ahmad province.

Table (5): Regression coefficients

variable	non-standardized coefficients	standardized coefficients	t	level of significance
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	B	Standard error	BETA	t	Level of significance
knowledge creation	0.159	0.135	0.156	2.438	0.039
knowledge sharing	0.119	0.189	0.117	2.100	0.043
knowledge use	0.307	0.115	0.336	2.676	0.009
knowledge storage	0.397	0.097	0.408	4.078	0.001

Considering Table (6) and the levels of significance, we can conclude that there is a significant relationship between knowledge exchange and the insurance performance of Iran Insurance agencies in Kohgiluyeh and Boyer Ahmad province. The calculated beta that determines the effect of the variables regardless of the index shows that the knowledge storage variable, with a beta of 0.476, has the greatest impact on the insurance performance of Iran Insurance agencies in Kohgiluyeh and Boyer Ahmad province.

Table (6): Regression coefficients

Variable	Non-standardized coefficients	Standardized coefficients	t	Level of significance
knowledge creation	0.490	0.289	2.548	0.013
knowledge sharing	0.366	0.209	2.360	0.047
knowledge use	0.525	0.361	3.220	0.002
knowledge storage	0.737	0.476	5.325	0.001

5. CONCLUSION

The research showed that there is a significant relationship between knowledge exchange and financial and insurance performance of Iran Insurance agencies in Kohgiluyeh and Boyer Ahmad Province. The regression analysis showed that all dimensions of knowledge exchange (knowledge sharing, knowledge creation, knowledge use, and knowledge storage) are associated with financial and insurance performance of Iran Insurance agencies in Kohgiluyeh and Boyer Ahmad province. Also, the beta values



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calculated in the regression analysis, which prioritizes the effect of the variables in question regardless of the index, show that the knowledge storage variable had the highest impact on the financial and insurance performance of Iran Insurance agencies in Kohgiluyeh and Boyer Ahmad province with a beta of 0.408 and 0.476 respectively. Considering that Iran Insurance is one of the most important organizations that deals with the insurance affairs of a large part of the society on the one hand, and this organization is a service-providing company in the other hand, improving the economic status of a country, increasing the exchanges, promoting the living standards and developing investment will contribute to the advancement of insurance in that country, and, alternatively, the economic and financial advancement of insurance through the scientific and knowledge processes and the use of organizational and up-to-date techniques and the development of insurance services also help improve the livelihoods of people and preserve the national wealth. Therefore, considering the results of this research, we can say that further movement of the organization towards work knowledge, the use of components and dimensions of knowledge management and organizational innovation, and the growing trend of the use of new techniques in insurance services in Iran Insurance agencies in Kohgiluyeh and Boyer Ahmad Province will help these agencies have a better performance in financial, economic and insurance areas.

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