

## **Knowledge management and its relationship with organizational agility:**

### **The case of Sepah Bank branches of Shiraz**

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#### **Abstract:**

Survival in competitive and global business environment requires changing present business processes to agile and customer-oriented production structures. Among many enterprise assets, knowledge as a critical driving force facilitates performance purpose, behavior and better decision making in a timely manner. Knowledge management specifies one systematic standpoint for complete utilization of knowledge. Present knowledge about agile production and workforce to develop agility concept in organizations has been studied by various researchers. Reviewing literatures in both management fields of knowledge and agility has reported indices which their questionnaire's validity and reliability were confirmed. After evaluating these components in Sepah Bank of Shiraz, the results showed strong and meaningful relationship between agility and knowledge management. For more detailed examination, the impact of knowledge management on organizational agility has been studied individually and prioritized in terms of effectiveness.

**KEY WORDS:** Knowledge management, organizational agility, Sepah Bank

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#### **Introduction**

In the past, the return on investment was mainly due to the quality of physical assets, but nowadays, knowledge is the main source of another form of assets named intellectual asset. However, knowledge can be considered asset when used efficiently. For this purpose, managers should consciously organize, motivate and control their learners (Brooking, 1996). In past decade rise of internet phenomenon in business made "knowledge management" concept to attract a lot of attention toward itself. Knowledge management often refers to a process through which organizations create values from knowledge. It should be noted that knowledge management ,which itself contained important management affairs surrounding organizational efforts, is looking for providing synergy through data process and by use of suitable technologies as well as new human innovative capabilities (Barth,2000). Knowledge management is a process that helps organizations to identify, organize, disseminate and transfer important unstructured information and expertise which are parts of organization's memory. This knowledge structuring leads to problems solving, dynamic learning, strategic planning and

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efficient decision making. Knowledge management initiatives are focused on identifying and expressing knowledge so that this knowledge can be formally exchanged and be used as a lever through re-use (Turban&Mclean, 2004). However, today's complex organizations should be able to adapt with constant changes in order to succeed. Today, in age of international contest , many organizations has prepared suitable tools for entering global market and try to develop their activities and services quantitatively and qualitatively with regard to the all intra- and cross-organizational aspects. Increasing development of science and technology and social, cultural, economic conditions being more complicated, introducing new and various thoughts , environmental unreliability , uncertainty and many changes and challenges in present world make organizations to be developed with their learning and updating power and equipped themselves with required technologies and strategies . They should be compatible with rapid changes and react to the environmental stimuli in time and continue their life in organizational optimization and development through acquiring knowledge and extensive insight in a dynamic and lively manner.

## **2- Theoretical foundations**

### **2-1 Knowledge management concepts**

Providing a precise definition for knowledge management is not a simple matter. Knowledge management is not a business strategy- even though company should have a strategy consistent with knowledge management- and also require one culture which enhances believing in collective thinking and communication. However, culture doesn't provide sustainable knowledge management procedures by itself. Perhaps it is due to lack of a single definition that extensive implementation of knowledge management has been postponed. Briefly, knowledge management is use of leverage feature of collective wisdom with the goal of increasing organizational agility and responsiveness (Turban&Mclean, 2004).

According to this definition, information can be considered knowledge only if the following three criteria are fulfilled:

A-knowledge is connected in the sense that it lies in a set of various viewpoints and experiences (collective wisdom).

B-knowledge management is a catalyst. Knowledge has always been dependent on environmental conditions and reacts in response to these conditions. Information that can not help to act quickly isn't considered as knowledge.

C-knowledge is applicable in new environments. Whenever information are used in new situations about which there is no direct prior knowledge, then it turns out to be knowledge. Information which only referred to previous similar cases is not knowledge and doesn't lead to organizational agility.

Thus, differentiating between information management and knowledge management is important. Both of them are involved in organization's success but each pays attention to different needs and requires different procedures. Information management includes predefined responses to projected stimuli. In contrast, knowledge management includes innovative responses to new opportunities and challenges. In business, planned responses

are given to controlled stimuli through conventional information technology approaches. Knowledge-based solutions emphasize on new innovative responses in an unstable working environment (Frappaolo, 2006).

## **Knowledge management concepts**

### **Knowledge acquisition:**

Knowledge acquisition is determined by six factors: honoring to employees □ beliefs and attitudes encouraging them to enhance their skills; having a highly developed financial reporting system; tendency to the market in the sense of attempt for active information acquisition about customers and industry; sensitivity to information about market changes; hiring an retaining a good number of people trained in science, engineering and mathematics; working with international customers and obtaining information from market surveys (Darroch,2005,p.106).

### **Knowledge dissemination:**

Knowledge dissemination is explained by examining five factors: rapid dissemination of market information; knowledge dissemination at the same time of performing; use of special techniques for knowledge information; use of information technology (such as tele-conferencing, video-conferencing and groupware) in order to facilitate communication and giving priority to written communication in knowledge dissemination (Darroch, 2005, p106).

### **Responsiveness to knowledge**

Responsiveness to knowledge is explained by examining five factors: responsiveness to information associated with customers; competitors and information technology; flexibility and finding opportunities through rapid changes in products; processes and strategies and possessing a highly developed marketing unit (Darroch, 2005, p106).

### **Knowledge management:**

Knowledge management is to utilize leverage feature of collective wisdom with the purpose of increasing organizational responsiveness and agility (Frappaolo, 2006, p108).

## **2-1-2 Future of knowledge management**

Today, many organizations have the gift of knowledge management. But this resource is often unknown. Implementing advanced information technology enables organization to take greater advantages from their intellectual privileges. In order to be applicable, knowledge management requires a major change in organizational culture. Thousands organizational experiences suggest that knowledge management doesn't need

more tools for collecting more information and data, but it needs a new attitude for combining separate information which enhance people's insight and facilitate actions.

In terms of knowledge making, knowledge management not only helps companies in more utilization of their memory but also leads to improving level of company skills and present intellectual capital. Intense competition in global markets has changed market to a uniform playing field. Organizations need to control their knowledge in order to remain competitive and become more innovative. Only agility is not enough for managers, but they need clever organizations (Frappaolo, 1998).

## **2-Organizational agility:**

### **Agility:**

The most stable feature that can be introduced for present business world is continual change and unreliability. Increasing shortening of production period is itself an evidence for this claim. While craft manufacturing continued for hundreds years, mass production was dominant attitude only from industrial revolution (70<sup>th</sup> decade of 18 century) to quality revolution(lean manufacturing in 70<sup>th</sup> decade and just in time manufacturing in 80<sup>th</sup> decade) and lean and just in time manufacturing were far shorter and confined to a few decades. According to the studies performed in university of Lehigh in 1991, current manufacturing world is experiencing one new paradigm named agility which is appearing as the most suitable competitive practice in century and replaced by lean paradigm. At the beginning of 21 century, world has faced significant changes in all aspects specially dramatic changes in communication channels, breaking organizational and geographical boundaries, technologic innovations, increasing customers' demand and expectations and breaking macro markets into smaller and more confined markets which make organization survival dependent on major revising of strategic perspective and priority (Sharifi&zhang,2000,13). Many companies are faced with an intense competition caused by technologic changes and innovations made in market as well as changing customers demand. This situation leads to changing priorities in business environment and strategic perspective and challenging conventional models and, even in some cases, new models (Shih&Lin, 2002, p468).

The dictionary meanings of agility are fast movement, nimble, the ability of quick and easy movement and fast thinking in a sagacious manner (Horby, 2000). The root of organizational agility term is agile manufacturing which is introduced as opportunity for reacting to changes of business environment and utilization of them. In this situation any organization should have the ability of concurrent manufacturing of different products with short longevity, redesigning of products, changing manufacturing procedure and efficient reaction to the changes. If an organization has the above-mentioned abilities, then it can be considered as an agile organization. Although there are many definitions for agility, none of them are in contrast with each other. Generally these definitions show the idea of speed and change in business environment (Gunasekaran&yusuf, 2002, 557). As the topic of agility is a new debate, there is no comprehensive definition confirmed by everyone. Below are some agility definitions:

□ □ Organization's ability to sense, understand and predict existing changes in the business environment. Such an organization must be able to detect environmental changes and see them as factors of prosperity and growth"

(Sharifi and Zhank, 1999, 13). In other place, they defined organizational agility as the ability to overcome unexpected challenges for encountering threats of business environment and take advantage of these changes as opportunities of growth and development.

Maskell (2005) defined organizational agility as the ability of growth and development in an environment with constant and unpredictable changes. Thus, organizations shouldn't be afraid of business environment changes and avoid them, but they should view changes as opportunities for taking competitive advantage in market.

Vernadat (1999, 38) believes that agility can be defined as close alignment of organization with variable business needs in order to take competitive advantage. In such an organization, employees' goals are in line with organization's goals and all of them want to provide a good response for customers' variable needs.

According to the results and consequences, agility means dynamic, position-oriented and bold changes which involve market's access to the large number of customers. In other words, agility means ability of one business unit for growth and survival in a competitive environment which its changes are continual and needs rapid reaction to the variable markets. Certainly, this objective will be met through value making in products and required customers' services (Goldman et.al, 1995).

According to Kidd (1994), in order to make agility paradigm operational, it can be considered as a combination of numerous organizations which each of them has several skills and key competence for joint activities and can help organization in preparing for rapid reaction to variable customers' needs. Kidd presents one of the most comprehensive definitions of agility as follow:

"Agile organization is a rapid, compatible and conscious business which has the ability of compatibility in reaction to the unexpected and unpredicted changes, market opportunities and customers' needs. There are processes and structures in such business which facilitate speed, conformity and stability and at the same time it has ordered and coordinated structure which can reach competitive performance in a completely dynamic and unpredictable commercial environment and of course is not disproportionate to the present functions of organization (Kidd, 2000).

It is the ability of organization in detecting need to changing internal and external resource, so that organization should make these changes in a uniform manner and maintain performance higher than medium level.

### **The necessity and importance of research:**

Knowledge management is recently introduced as a new major. Considering its new state, knowledge management is still in developing its theoretical origins (Darroch, 2005). At the same time of accepting knowledge management importance, it is disappointing that there are a few guidelines about its real meaning and consequences. Maybe its reason is that detecting and measuring knowledge management is difficult regarding implicit nature of main part of knowledge and parts of knowledge management (Nonaka&Takeuchi, 1995). Regarding lack of empirical studies in this field, analytical approaches are now needed which can be used in this new field so that management is able to add quantitative aspect in addition to qualitative procedures (preiss, 1999).

Since only a limited number of studies available in existing literature reported investigation of knowledge management results, inference from them about relationship between effective knowledge management and agility is difficult. This is not because those empirical evidences reject such a relationship, but it is merely because that related researches are still under development. Thus, present research tries to investigate the relationship between effective knowledge management and agility in an empirical manner. This is the only relationship which is suggested in literature (Darroch, 2005). Present research tries to examine practically the performance of this intangible and implied phenomenon in Iran.

## **History of research**

### **History of knowledge management**

Many studies have been conducted about knowledge management. In this regard, Peter Drucker and Paul Strassman have emphasized on increasing importance of information and introduced knowledge as a coordinating and competitive resource in organizations. In 1980s, we observed developing systems for management of knowledge based on intellectual systems and in the late of this decade articles about knowledge management published in magazines like "Organizational Science" and "Sloan Management Review".

The first book about learning organizations with the title of "The fifth Discipline" and other book from famous author Sakaiya have been published. In 1990, a number of consultant management companies began their activities in line with knowledge management and a number of famous Japanese, American and European companies concentrated on discussions about knowledge management. In the mid of 1990 and with development of internet, knowledge began to grow and prosper.

Then International Knowledge Management Network (IKMN) began its activity in Europe and published results of knowledge management between European companies and then European society began to suggest budgets for KM (knowledge management) projects through ESPRIT plans. As noted previously, the examination of knowledge management was initiated for the first time by annual reporting of one pioneer Swedish company in financial services (Skandia) in 1994. This report contained a series of financial analyses which tried to quantify the value of company's intellectual capital or knowledge assets. In fact, major attempt in this regard was begun in 1991 and contained initial efforts for providing a methodology which is able to calculate the value of knowledge in a quantative manner.

In his book entitled "Post-capitalist society Harper Business"(1993), Peter Drucker confirms this concept of organizational knowledge (labor force, natural resource, or other means of production are no more the main economic resource; this fundamental resource is knowledge and will be).

While Skandia was evaluating and calculating its intellectual capital, Howard Dresner- prominent researcher of Gartner group-was attempting to provide organizational wisdom as one of the newest topics of information systems.

## **The history of agility**

In an article entitled "from implementing policies to management of commercial business processes", Gong & Janssen (2012) introduced principles for time flexibility and agility by which organization implement or modify new policies. These four principles are: 1- identifying and implementing commercial services, 2- integration and coordination of commercial services, 3- isolating processes, knowledge and resources, 4- implementing policies integrally. Their study showed that this kind of flexibility and agility can lead to rapid implementation of policies as well as cost effectiveness.

Mark Jacobs et al (2011) studied the impact of modular state of product and process on manufacturing agility and performance of tires' suppliers in North America's car industry. They consider performance dependent variable only in financial standpoints like assets yield and stocks yield and came to this conclusion that modular state of products has direct impact on modular state of process and agility and finally on organization's performance. But the modular state of process has no relationship with manufacturing agility and, according to the model; manufacturing agility has no impact on organization's performance.

In an article entitled "agility and organization's design", Verli & lauler (2010) studied different aspects of agility and its impact on performance. They evaluate 161 commercial managers, 42 assistants and 98 managers of aerospace company (Acme) in their research and mentioned four aspects impacting on agility in their model (i.e., sustainable strategy, compatible designs, leadership and common identity and value making capabilities) and concluded that sustainable strategy, compatible designs, leadership and common identity have impact on value making capabilities and it consequently has impact on organization's performance.

Vinoid et al (2010) evaluated organizational agility before and after implementing "Total agile design system" (TADS) and considered 20 indices for agility. The results of research show that, after implementing mentioned design, organization has improved in 15 indices and no changes are observed in other 5 indices and finally general condition of organization has improved 104%.

Linn et al. (2006) suggested that organizational agility abilities are responsiveness, competence, flexibility and speed. Using research literature and holding seminar sessions, they could provide 15 variables for agility. These variables are sensitivity to the market, speed, accuracy of data, introducing new products, cooperative planning, integrating process, use of information technology, reducing delay time, improving service level, minimizing costs, customers' satisfaction, improving quality, minimizing unreliability, development of reliability and reducing resistance to changes.

### **4.1 the research hypotheses**

#### **The first main hypothesis:**

There is relationship between components of knowledge management in all branches of Shiraz's bank Sepah .

**The first sub-hypothesis:** there is a relationship between knowledge acquisition and knowledge dissemination in all branches of Shiraz's bank Sepah.

**The second sub-hypothesis:** there is a relationship between knowledge dissemination and responsiveness to knowledge in all branches of Shiraz's bank Sepah.

**The third sub-hypothesis:** there is a relationship between knowledge acquisition and responsiveness to knowledge in all branches of Shiraz's bank Sepah.

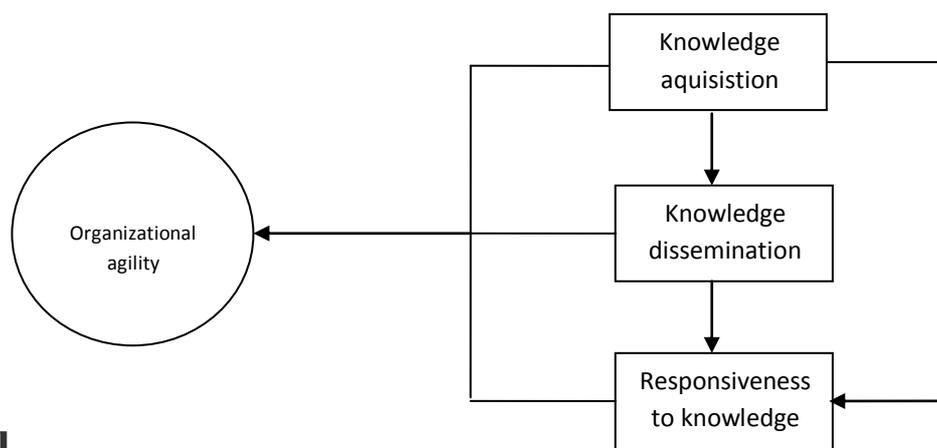
**The second main hypothesis:** there is a relationship between quality of knowledge management and organizational agility in all branches of Shiraz's bank Sepah.

**The fourth sub-hypothesis:** there is a relationship between knowledge acquisition and organizational agility in all branches of Shiraz's bank Sepah.

**The fifth sub-hypothesis:** there is a relationship between knowledge dissemination and organizational agility in all branches of Shiraz's bank Sepah.

**The sixth sub-hypothesis:** there is a relationship between responsiveness to knowledge and organizational agility in all branches of Shiraz's bank Sepah.

The fig.1-1 illustrates the relations between the research variables in terms of the above hypotheses:



**Fig.1-1**

### **Method and tools of research**

Present study is considered as an applied research. This research is also descriptive survey research because it tries to describe the relationship between knowledge management and organizational agility as well as the relationship between parts of knowledge management according to the data collected through questionnaire.

In this research, library method (including book and internet articles) was used for collecting second-hand information and questionnaire was used for collecting statistical data. In other words, questionnaire is the tool of collecting data in this research which validity and reliability operation has been done on it. Since standard questionnaire is used in this research, there is no need to the confirmation of validity. Cronbach's alpha method has been used for determination of reliability. Since questionnaire should be filled by people who are somewhat informed of organization's affairs and view events with a systematic attitude, research's statistical population

consist of senior executive, assistants, and middle-level managers of all branches of Shiraz's bank Sepah. In present study, sample has randomly selected from branches of Shiraz's bank Sepah .

To be more precise, research's statistical sample is a classified and randomized sample of senior executives and middle-level managers of mentioned branches. Then, proportionate to the number of senior and middle-level managers of each organization, researcher gave questionnaires to people who accepted the responsibility of its distribution in their respective organizations.

### **Size of sample**

Size of sample is a problem which most of researchers encounter with it. General rule in this case approves the largest possible size. In present research, the sampling error was considered equal to  $.05$  and length of confidence interval was considered equal to  $.90\%$ . since researcher had no knowledge about normal state of under-study population; he used a cautious method for calculating size of sample. But use of such a method

requires informing of standard deviation of collected values. Thus, it was essential that a small sample be selected first and then the value of standard deviation calculated according to it. The resulting value was equal to  $1/36$ .

### **Tools of analysis**

In present study, two methods of descriptive and inferential statistics were used to analyze findings. Descriptive statistics was used for calculating frequencies and drawing plots. Inferential statistics was used for calculating Spearman correlation coefficient between data, calculating cronbach's alpha and factor analysis.

In present study, Microsoft office Excel 2003 was used for drawing plots, cronbach's alpha was used for calculating correlation coefficient, SPSS software was used for calculating other parameters and finally MINITAB 14 software was used for factor analysis.

### **Reliability of questionnaire**

In present study, researcher used cronbach's alpha for measuring reliability. For this purpose, the value of alpha calculated according to the existing data by SPSS software. Since value of alpha was  $91/46\%$  and its standardized value was  $92/57\%$ , it can be claimed that used questionnaire has high reliability. To be more precise, if mentioned questionnaire will be used in other places and different times by other researchers, it is highly probable that results will be similar.

### **Validity of questionnaire**

In present study, Darroch's standard questionnaire (2005) was used for measuring research's variables because it doesn't need to validity test.

## Discussion

### D) Analysis of research's first hypothesis:

**A) Analysis of first sub-hypothesis:** there is a relationship between knowledge acquisition and knowledge dissemination in all branches of Shiraz's bank Sepah.

By calculating correlation coefficient between knowledge acquisition and knowledge dissemination and according to the research's data, researcher could claim that there is a meaningful relationship between these two variables in significant level of 99%.calculated value of this coefficient (/7999) implies the existence of a strong and direct relationship between knowledge acquisition and knowledge dissemination.

**B) Analysis of second sub-hypothesis:** there is a relationship between knowledge dissemination and responsiveness to knowledge in all branches of Shiraz's bank Sepah. By calculating correlation coefficient between knowledge dissemination and responsiveness to the knowledge and according to the research's data, researcher could claim that there is a meaningful relationship between these two variables in significant level of 99%.calculated value of this coefficient (/768) implies the existence of a strong and direct relationship between knowledge dissemination and responsiveness to knowledge.

**C) Analysis of third sub-hypothesis:** there is a relationship between knowledge acquisition and responsiveness to knowledge in all branches of Shiraz's bank Sepah. By calculating correlation coefficient between knowledge dissemination and responsiveness to the knowledge and according to the research's data, researcher could claim that there is a meaningful relationship between these two variables in significant level of 99%.calculated value of this coefficient (/725) implies the existence of a strong and direct relationship between knowledge acquisition and responsiveness to knowledge.

### D) Analysis of first main hypothesis:

There is relationship between components of knowledge management in all branches of Shiraz's bank Sepah . Table 4-7 shows some parts of correlation upon which decisions can be made about the first hypothesis. According to the output of SPSS software, it can be claimed that there is a meaningful relationship between variables in significant level of 99%. As can be seen, there is a high positive correlation between three components of knowledge management. Thus according to the results of research, it can be argued that possessing any knowledge management's procedures leads automatically to reinforcement of other past procedure and similarly lack or weakness of any of them may have negative impact on other procedures. In other words, if organization has greater access to resources of knowledge then it will have more advanced procedures for knowledge dissemination and responsiveness to knowledge. Similarly, if organization has more advanced procedures for knowledge dissemination then it will probably be more responsive to knowledge.

**Table 1-1**

	Knowledge aquisition	Knowledge dissemination	Responsiveness to knowledge
Knowledge aquisition	1	0/799	0/725
Knowledge dissemination	0/799	1	0/768
Responsiveness to knowledge	0/725	0/768	1

As you can see, research's findings show highest correlation between knowledge acquisition and knowledge dissemination. It means that, if organization has better performance in knowledge acquisition then it can disseminate knowledge between its members in a more effective way and finally uses from leverage feature of knowledge.

In this way, research's statistical data make this claim possible that there is relationship between knowledge acquisition and knowledge dissemination, knowledge dissemination and responsiveness to knowledge and finally between knowledge acquisition and responsiveness to knowledge in all branches of Shiraz's bank Sepah with significant level of 99%. To summarize, research's data provide necessary evidences for accepting relationship between components of knowledge management in all branches of Shiraz's bank Sepah with significant level of 99%.

**Analysis of research's second hypothesis:**

**A) Analysis of fourth sub-hypothesis:** there is a relationship between knowledge acquisition and organizational agility in all branches of Shiraz's bank Sepah.

By calculating correlation coefficient between knowledge acquisition and organizational agility and according to the research's data, researcher could claim that there is a meaningful relationship between these two variables in significant level of 99%.calculated value of this coefficient (/717) implies the existence of a strong and direct relationship between knowledge acquisition and organizational agility.

**B) Analysis of fifth sub-hypothesis:** there is a relationship between knowledge dissemination and organizational agility in all branches of Shiraz's bank Sepah.

By calculating correlation coefficient between knowledge dissemination and organizational agility and according to the research's data, researcher could claim that there is a meaningful relationship between these two variables in significant level of 99%.calculated value of this coefficient (/641) implies the existence of a strong and direct relationship between knowledge dissemination and organizational agility.

**C) Analysis of sixth sub-hypothesis:** there is a relationship between responsiveness to knowledge and organizational agility in all branches of Shiraz's bank Sepah.

By calculating correlation coefficient between responsiveness to knowledge and organizational agility and according to the research's data, researcher could claim that there is a meaningful relationship between these two

variables in significant level of 99%.calculated value of this coefficient (/706) implies the existence of a strong and direct relationship between responsiveness to knowledge and organizational agility.

**D) Analysis of second main hypothesis:** there is a relationship between quality of knowledge management and organizational agility in all branches of Shiraz's bank Sepah.

By calculating correlation coefficient between knowledge management procedures and organizational agility and according to the research's data, researcher could claim that there is a meaningful relationship between these two variables in significant level of 99%.calculated value of this coefficient (/717) implies the existence of a strong and direct relationship between knowledge management procedure and organizational agility. According to the results taken from analysis of research's findings, there is a direct and meaningful relationship between all three procedures of knowledge management and organizational agility. It is worth noting that, five other types of organizational agility can be included in gradual organizational agility. Resulting findings seem somewhat irrational because when organization is providing new product or service about which doesn't have commercial or scientific expertise then ability in knowledge management is not very useful. In contrast, organizations which have developed gradual organizational agility and performed in existing expertise framework have probably greater tendency to very advanced knowledge management procedures. It means that, when organization's members are active in existing ranges of capabilities then procedures and behaviors of knowledge management will be reinforced. In other words, gradual organizational agility is reinforcer of key competences of organization while radical organizational agility is destroyer of competences. To be more precise, new radical organizational agility makes business to potentially face with danger, because it has approximately no relationship with present capabilities in knowledge management from one hand and causes existing resources not to be used properly from other hand.

**Table 2-1**

	Knowledge aquisition	Knowledge dissemination	Responsiveness to knowledge
Organizational agility	0/717	0/641	0/706

According to output of SPSS software, there is a meaningful relationship between organizational agility and three procedures of knowledge management with significant level of 99%. As you can see, above coefficients indicates existence of a strong and direct relationship. Researcher use average of knowledge management data in order to judge about the general relationship between knowledge management and organizational agility (without considering classification of them individually) and obtain one unit correlation coefficient which is reflector of relationship between these two topics. With averaging, researcher obtains one unit column which its data are reflector of average situation of organizations' knowledge management procedures and behaviors. Then correlation coefficient was calculated by software and its value was equal to /717. According to output of software and in significant level of 99%, this coefficient represents direct and meaningful relationship between knowledge management and organizational agility.

The evidences of present research can confirm hypothetical and recommended relationship between organizational agility and knowledge management procedures and behaviors in an empirical and objective manner with high significant level. In addition, research's findings not only confirm direct and meaningful relationship between organizational agility and knowledge management but also imply strong relationship between them.

## **Conclusion**

1-since findings of this research confirm relationship between knowledge management, it is recommended to the managers that appreciate the reinforcement opportunity of each procedure. In a more precise term, the results of present research make this claim possible that if managers provide their employees with the way of acquisition of knowledge then more suitable condition will be automatically created throughout organization. Such a condition makes better responsiveness to knowledge possible practically. Briefly, considering each of knowledge management behaviors and procedures provides necessary condition in order to administrate and develop existing knowledge for managers.

2-since findings of this research confirm between knowledge management and organizational agility, it is recommended to the organizations' managers to reinforce knowledge management procedures and behaviors in their respective organizations in order to obtain organizational agility. In other word, managers should pay attention to the programs that reinforce 16 knowledge management procedures and behaviors. In this regard, following recommendations are made for managers:

- To value their employees opinions.
- To make advanced systems for financial reporting in their organizations.
- To consider the information about changes in the market.
- To know their international customers as their partner.
- To gain information about the customer's needs, interests and preferences through market researches.
- To publish market information throughout the organization.
- To use different techniques to disseminate knowledge in the organization.
- To prefer documented written information rather than the verbal information.
- To be accountable to their customers.
- To monitor their competitors' activities and to respond appropriately to them.
- To be flexible and to seek new opportunities.

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