



## Effect of Knowledge Management of Strategic Thinking of Human Capitals in Ministry of Sports and Youth

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### ABSTRACT

The aim of the present research is to analyze the effect of knowledge management on the strategic thinking of the human capitals in Ministry of Sports and Youth. The research community includes all the employees in Ministry of Sports and Youth, Tehran, Iran. The sample size is 350 employees determined at simple random method. The measurement tools consist of the Knowledge Management Inventory (Hemmati, 2010) at 0.91 Cronbach alpha coefficient and the Strategic Thinking Inventory (Monavvarian et al., 2012) based on the indexes of Liedtka model (1998) at 0.86 Cronbach alpha coefficient. Their validity and reliability have been confirmed. Being the correlational-descriptive research, it was carried out as field method and the data were analyzed using binomial test and the SEM through Smart-PLS. The results indicated the status of strategic thinking and the knowledge management of the employees in Ministry of Sports and Youth has been in the optimum and above-average limit. Meanwhile, the knowledge management has had the significant and positive effect on the strategic thinking of the employees of Ministry of Sports and Youth. The strategic thinking, perspective, key values, mind pattern and the competitive advantage form the organization in the complex and varying spaces. Thanks to the influence of right and timely information and consequently the knowledge and its sharing on the strategic thinking, it is recommended a committee be established to set and promote the knowledge management in Ministry of Sports and Youth in order to be adapted to the varying environments so that the strategic thinking and the unique strategies are fortified and improved in the organization.

**Keywords:** Strategic Thinking, Knowledge Management, Human Capitals, Ministry of Sports and Youth.

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### INTRODUCTION

The most important distinction of the present century is the increasing changes happening in the business environment (Sing, 2008). The unpredictable nature of these changes had the organizations try for the survival and overtaking their rivals (Jorgensen, 2004). As the problems increase and the organizations get more complex, the better solutions and the stronger tools for the strategic planning are needed. The strategic planning is a process happening after the strategic thinking. The regulation and implementation of a strategic program in the organization require the presence of strategic thinking among the executive managers of the program (Monavvarian et al., 2012). The strategic thinking, in fact, is the ability of interpreting happenings, and the unrelated and unplanned events, and is the biggest success sign of the successful managers in the current organizations in order to realize, identify, predict and control the future events; despite being affected by the changes, the future changes should be

affected and take the organization towards the promotion and development (Pisapia et al., 2009). The strategic thinking is the way based on which the people in organization think, evaluate, see and create the future for themselves and others (Gholmohammadi, 2013 as cited in Hamidzadeh and Motamedi, 2008). It is dynamic as thought and improves by experience and creativity (Balduck, 2009). It is, indeed, a continuous process whose aim is disambiguating and making meaning to a complex environment (Boon, 2005); it brings about the capability of strategic problem-solving and discerning the necessary issues from the unnecessary ones (Mohammadpoor et al., 2013); it is a certain kind of thinking that has its own special features (Mintzberg, 1994) including systemic attitude, concentration of goal and goal-orientedness or strategic conviction, smart opportunism, timely thinking or thinking in time, hypothesis-orientedness or development based on the scientific approach (Liedtka, 1998). Lack of the strategic thinking among the high-rank managers is one of the problems in organizations (Rabiee et al., 2008) depriving them from achieving the new opportunities (Yazdani and Poorsadeghi, 2012). The literature review emphasizes the state of being acquired and the

possibility of training this manner of thinking to the CEOs. Some studies mentioned that the knowledge management plays an important and widespread role in the thinking manner of people (Jalilian *et al.*, 2016). In this respect, if the organizations have the capability of learning (Dagson, 1993) and the creative use of the knowledge in the competitive area, they can reach a novel thinking manner based on which they can redefine the affairs and conduct its way of action. The knowledge of human capitals is the most important organizational capability and competence that can provide a context for creating competition, competitive advantage and the sustainable development (Chung *et al.*, 2009). On the other hand, the knowledge management is an important strategy that can move an organization to become more flexible, more innovative and more intelligent (Wong and Spinwall, 2005). The knowledge management is bound with the processes of creation, collection, organization, propagation and the application of knowledge (Skim, 2012). Many organizations face this difficulty in that they cannot make it applicable in the appropriate place to reach the organization to the competitive advantages, important, on-time and persistent information as well as the necessary resources

for developing the long-term and strategic thoughts of managers and the organizational strategies. Thus the knowledge management can offer a destiny-making importance for the stream of organizational knowledge in the direction of satisfying the strategic expectations of the organization. It is also an efficient tool that creates the beneficial information and awareness to reach the competitive strong and strategic advantages, internal dynamism, creation and efficient HR capacities and in addition it is a reliable source for long-term planning in the organization (Jalilian *et al.*, 2016). Quite a few studies have been conducted in the case of relationship between the strategic thinking and the knowledge management but none investigated the influence of the knowledge management on the strategic thinking in the organization especially in Ministry of Sports and Youth. Reviewing the literature, it is resulted that many factors have impact on the establishment of the strategic thinking. Therefore, the major hypothesis and the conceptual model of research become: "The knowledge management has influence on the strategic thinking of the employees of Ministry of Sports and Youth".

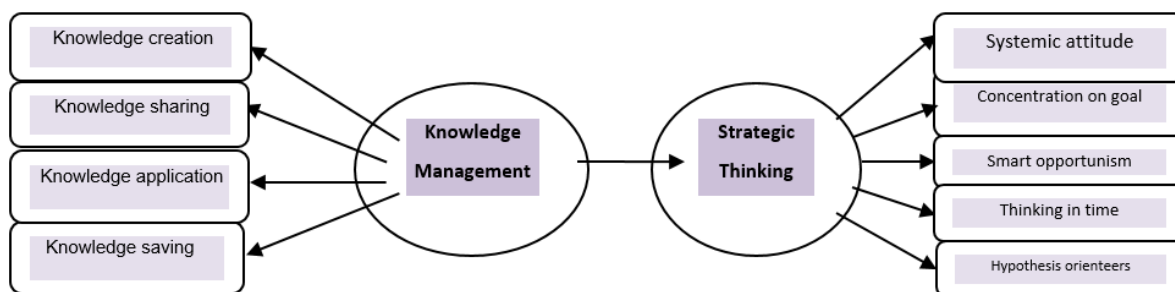


Figure 1: Conceptual Model of Research

To effectively survive based on the distance that the sport organizations have for reaching the ideal and optimum condition, finally, these questions arise: How is the status of strategic thinking and knowledge management among the human capitals of Ministry of Sports and Youth?, and, What is the effect of knowledge management on the strategic thinking in Ministry of Sports and Youth?

## 2- Methodology

The present research is an applied one based on the purpose and a descriptive-correlational type. The data were collected in field study using the questionnaires. Using the structural equation modeling (SEM), the effects of predictive variable on the index variable were investigated. Through correlational calculations, the relations between variables were analyzed. The research community includes 890 employees (569 male, 321 female) in Ministry of Sports and Youth, Tehran, in 2016. To achieve the sample size per free parameter, 5 people were intended in that 350 employees were finally chosen. Sampling was done through the simple random method.

### 2-1- Measuring Tool, Face Validity and Reliability

Monavvarian *et al.*'s (2012) Strategic Thinking Inventory includes 28 items based on Liedtka indexes (1998). Bashir-Banaem (2011) reported its reliability as 0.86 with Cronbach alpha. Hemmati's (2010) Knowledge Management Inventory consists of 25 items. Khamda (2009) reported its reliability as 0.91 with Cronbach alpha. After initial preparation, the face validity of inventories was supported by five professors having specialty in sport management. Thirty experts approved the

reliability of the inventories by conducting a pilot study, i.e. for strategic thinking as 0.83 with Cronbach alpha and for knowledge management as 0.75 with Cronbach alpha. All variables have been possessed an acceptable Cronbach alpha and there was no need to delete a question from the questionnaires.

### 2-2- Findings

Among 350 employees, the demographic results include 202 men (57.7%), 148 women (42.3%), 302 married employees (86.3%), 48 single employees (13.7%), 223 B.A. (63.7%; highest education), 128 employees with 11-15 year service record (36.6%) and 245 employees in permanent employment (70%).

### 2-3- Data Analysis

To test the major hypothesis, SEM method through Smart-PLS Software was used while the binominal test was used to analyze the data and answer the questions.

**2-3-1- Question 1:** How is the status of knowledge management among the employees in Ministry of Sports and Youth?

$$\text{Theoretical Average for Knowledge Management} = \frac{(25 \times 5) + 25}{2} = 75$$

Due to the theoretical average of questions, the cut-off point was assumed 75 to determine the status of knowledge management (Table 1).

Table 1: Results of Binominal Test for Variable of Knowledge Management

Index	Group	No.	Observed Ratio	Compared Ratio	P-value
Knowledge Management	≤ 75	128	0.37	0.05	0.01*
	> 75	222	0.63		
	Total	350	1		

P ≤ 0.01, P ≤ 0.05

According to the results of Table 1, 63% of samples possess an above-average knowledge management level which is statistically significant.

**2-3-2- Question 2:** How is the status of strategic thinking among the employees in Ministry of Sports and Youth?

Theoretical Average for Strategic Thinking =  $\frac{(28 * 5) + 28}{2} = 84$

Based on the theoretical average of questions, the cut-off point was assumed 84 to determine the status of strategic thinking (Table 2).

Table 2: Results of Binominal Test for Variable of Strategic Thinking

Index	Group	No.	Observed Ratio	Compared Ratio	P-value
Strategic Thinking	≤ 84	84	0.24	0.05	0.01*
	> 84	226	0.76		
	Total	350	1		

P ≤ 0.01, P ≤ 0.05

According to the results achieved from Table 2, 76% of samples have had an above-average knowledge management level being statistically significant.

**2-3-3- Measuring Knowledge Management Model**

The results of Table 3 show the redundancy index with cross validation and the communality index the cross fit validation of knowledge management model. The intended model is confirmed as reporting the indexes of predictive relationship and due to their positive values.

Table 3: Quality Indicators of Knowledge Management Model

Variable	Redundancy Indicator with Cross Validation	Communality Indicator with Cross Validation
Knowledge Creation	0.713	0.713
Knowledge Sharing	0.389	0.389
Knowledge Application	0.357	0.357
Knowledge Saving	0.376	0.376
Knowledge Management	0.378	0.383

**2-3-4- Inter correlation of Components of Measurement Model of Knowledge Management**

Table 4 shows the high inter correlation between the components and AVE values and the highest correlation between the knowledge management and the knowledge creation (r=0.948).

Table 4: Correlational Results between Components of Knowledge Management

AVE	Variables	Knowledge Creation	Knowledge Sharing	Knowledge Application	Knowledge Saving
0.71	Knowledge Creation	1			
0.59	Knowledge Sharing	0.713**	1		
0.56	Knowledge Application	0.773**	0.704**	1	
0.57	Knowledge Saving	0.748**	0.744**	0.72**	1

\*\* Significance level=0.01

**2-3-5- Measuring Strategic Thinking Model**

The results of Table 5 indicate the redundancy index with cross validation and the communality index the cross fit validation of strategic thinking model. The intended model is confirmed as reporting the indexes of predictive relationship and due to their positive values.

Table 5: Quality Indicators of Strategic Thinking Model

Variable	Redundancy Indicator with Cross Validation	Communality Indicator with Cross Validation
Systemic Thinking	0.489	0.489
Strategic Conviction	0.47	0.47
Development Based on Scientific Approach	0.416	0.416
Smart Opportunism	0.466	0.466
Thinking in Time	0.512	0.512
Strategic Thinking	0.369	0.18

**2-3-6- Inter correlation of Components of Measurement Model of Strategic Thinking**

Table 6 shows the high inter correlation between the components of strategic thinking and AVE values and the

highest correlation between the strategic thinking and the smart opportunism (r=0.92).

Table 6: Correlational Results between Components of Strategic Thinking

AVE	Variables	Systemic Thinking	Strategic Conviction	Development Based on Scientific Approach	Smart Opportunism	Thinking in Time
0.59	Systemic Thinking	1				
0.571	Strategic Conviction	0.904**	1			
0.517	Development Based on Scientific Approach	0.853**	0.744**	1		
0.566	Smart Opportunism	0.92**	0.756**	0.747**	1	
0.512	Thinking in Time	0.81**	0.688**	0.60**	0.7**	1

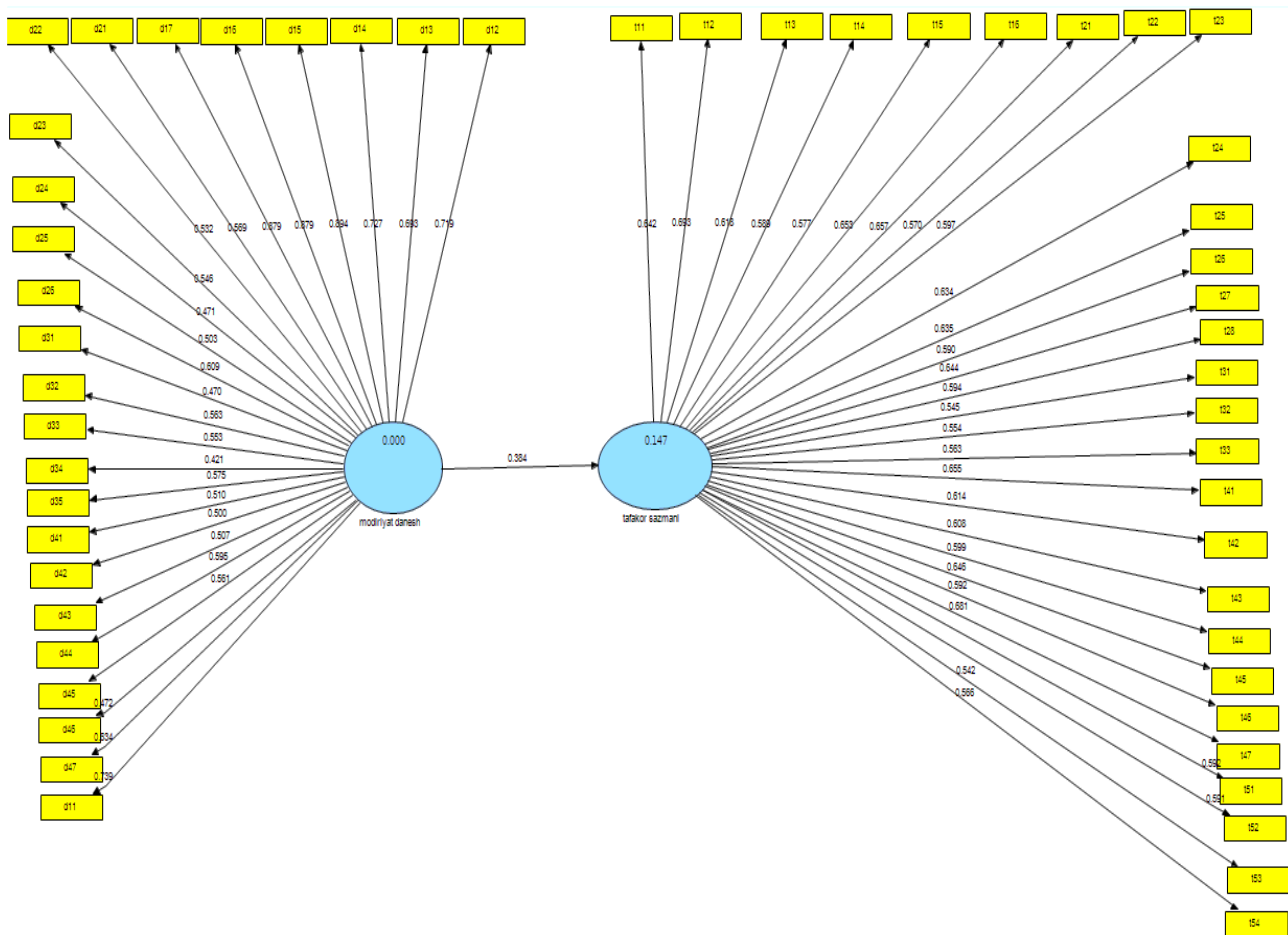
\*\* Significance level=0.01

Table 7 shows that the knowledge management has had effect on the variable of strategic thinking with 0.384 impact coefficient at p < 0.01 level (t=6.857, P< 0.05).

Table 7: Effect of Knowledge Management on Strategic Thinking of Employees in Ministry of Sports and Youth

Relationship	Factor Load	t-value	Significance Level	R <sup>2</sup> (Variance)
Knowledge management → Strategic Thinking	0.384	6.857	0.01	0.147

Figure 2: Standard Coefficients for Structural Model of Knowledge Management on Strategic Thinking of Employees in Ministry of Sports and Youth



2-3-7- Evaluating Structural Model

Due to the results attained form GOF, the structural model of present research possesses mediocre fitness.

$$GOF = \sqrt{\text{communalities} \times r^2} = \sqrt{0.377 \times 0.147} = 0.235$$

3- Discussion and Conclusion

Regarding the first question, the average of knowledge

management of 63% samples was higher than average being statistically significant. These results were in tune with Danish and Manir (2012) and Moosavi et al. (2014). Quite the opposite, the results were not in harmony with Afkhani Ruhani (2012) and Abdollahi (2015). The inconsistency of results, it sounds, may be due more to the absence of indicators such as performance, benefits, measurable advantages, insufficient skill among managers and employees and in fact the inappropriate investment.

The following strategies are recommended in order to improve and promote the knowledge management in Ministry of Sports and Youth having an important role in the organizational dynamism: recruiting expertized, efficient and enthusiastic human resources, planning various formal and informal programs for knowledge management, designing and preparing databases on various research fields, finally maintaining, collecting and archiving knowledge and so forth.

Regarding the second question, the average of strategic thinking of

76% samples was higher than average being statistically significant. These results are in harmony with Rabiee et al. (2010) and Yazdani and Poorsadegh (2012). Since designing and implementing the correct and creative strategies and maintaining the competitive advantage among the rivals require the need for managers equipped with strategic thinking (Morrison and Lee, 1979) to have the complete understanding of the organization and environment, it is recommended that Ministry of Sports and Youth take actions for supporting and promoting the strategic thinking among the human capitals as creating value, innovation and imagining a new (Grats, 2002) and very different organizational future, as increasing the capacity of organization in facing the organizational challenges and changes and finally as utilizing the new opportunities.

Regarding the hypothesis, the results showed that the knowledge management with 0.384 impact coefficient has the positive and significant effect on the strategic thinking of human resources in Ministry of Sports and Youth at  $p < 0.01$  level. This result is in harmony with the results of Kass & et al. (2015) and Kiakajuri (2014). Due to the positive and significant influence of knowledge management on the strategic thinking by means of accelerating the problem-solving processes, to the access to the correct and in-time information, to the documentation and registration of past knowledge and experience, and to more usage of knowledge cooperation of human capitals, it is recommended that Ministry of Sports and Youth establish and develop knowledge management in order to empower more effectively the organization with approach of strategic thinking to present more appropriate and more efficient solutions, in-time and more aware decisions, reduce the reworking (Al-Hakim & Hassan, 2013), have the power of adaptation and more flexibility according to the external variable situations (Judge, 2011).

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