

## The Effect of Knowledge Management on the Organizational Innovation by Considering the Mediator Role of Organizational Learning

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**Abstract:** Knowledge management and knowledge-based are the key factors in the organizations in the third millennium. The aim of this study was to investigate the impact of knowledge management on organizational innovation. KhorasanRazavi health insurance is considered as the mediating role of organizational learning. The research method in terms of objective is applicable, the method of data collection is descriptive and analytical survey, and structural equation modeling was used. Data was collected among the managers of KhorasanRazavi health insurance that the representatives were included. Sampling was randomly done through questionnaire that its validity and reliability were confirmed. Finally, the data of 75 questionnaires has been analyzed using SPSS software and SMART PLS. The findings of this study have shown that knowledge management affects aspects of knowledge acquisition, knowledge and application of knowledge on organizational innovation, respectively, with 0.176, 1434, and 0.160, it also significantly affects organizational learning of KhorasanRazavi health insurance, respectively 0.256, 0.449 and 0.186. As well as organizational learning has a positive impact on organizational innovation KhorasanRazavi health insurance 0.452. Finally, a significant positive effect on organizational innovation and knowledge management KhorasanRazavi health insurance with regard to the mediating role of organizational learning was approved 0.315.

**Keywords:** knowledge management, organizational learning, organizational innovation, health insurance KhorasanRazavi

### Introduction

Innovate tends to knowledge, expertise and employee engagement as a key input in the process of creating value. While, the organizations will be more successful with a higher innovation in response to environmental changes as well as the development of new features that help them to achieve higher performance. On the other hand, knowledge-based approach considers companies as repositories of knowledge and competence, however, the innovation theory will facilitate the development and application of knowledge based on organizational perspective and knowledge management integration. Today, competition is known to improve service quality as a key strategic issue for organizations that are active in the service sector. Organizations that achieve a higher level of service quality can achieve higher levels of customer satisfaction as a prelude to achieving sustainable competitive advantage. Now, companies and organizations have invested much in the world based on knowledge management. Despite the success of some, many organizations have also failed. Selection or design of proper system for organizations should be based on needs to facilitate the managers' activities (Pourezat et al., 2010). It seems that a series of conditions, situations and challenges lead to ultimate success or failure of knowledge management activities of the organization. So, before investing on scarce resources of the organization in such a risky area, management should be a tool to reduce uncertainty in knowledge management projects. The lack of proper mechanisms to assess the current state of the organization to implement knowledge management, or by developing knowledge management activities, this type of investment has made an additional cost in mind of managers (Pashazadeh and Gohari, 2012). As a tool to make your organization scarce resources to invest in such risky areas. On the other hand, organizational learning is the most important way to improve long-term performance and can claim superiority in the near future the only organization that is capable of usability, Commitment and learning how to better exploit people at all levels of the organization. In order to remain competitive in the current market, companies continually need to create innovation and application of knowledge in processes and provide their services. Given that a large proportion of wealth has been created by the service sector in developed economies and developing economies, Study on the production of knowledge, innovation and knowledge management services as a significant issue is considered by scholars and scientists. On the other hand, it is important to note that gaining knowledge and achieving the organization's accumulated knowledge, without learning is not possible. Learning is the key of learning knowledge and an increase in intangible investment.

Knowledge management as an essential part of organizational success, organizational ideas include a wide range of strategic, economic, behavioral and managerial initiatives (Zafarian et al., 2008). Knowledge management strategies for companies is now a major concern. Organizations that are away from the use of knowledge management, resulted in failure to identify deficiencies (gaps) in organizational knowledge, lack of efficiency of human capital, lack of efficient and effective learning staff, failure to provide goods and services with higher added value, dissatisfaction with customers and employees, failure to prevent repeating mistakes, lack of reinventing, failure to saving time, the lack of incentives to stimulate creativity and innovation, lack of competitive position and finally the absence of organizational learning. Health insurance as a necessary infrastructure plays a crucial role in the country's health program and the foundations for sustainable development in each country. So, having a comprehensive and efficient insurance in our country that can meet the needs of national health care. This requires the application of modern management theories, including knowledge management. Organizational performance is not effective in this model is not only worn and weak organization, but also that organizations can exploit the human capital as it should. The establishment of strategic purchasing, improve processes with the participation of all stakeholders' health institutes, people satisfaction and logical relationship between service providers and the insured and so on are the original goal of researcher that many factors have been effective in reducing organizational innovation, this has the effect of knowledge on organizational innovation. Administrators also have the knowledge that the absence of knowledge management leads to intellectual capital and reserves and for it to pass consistently to the capital in order to be able to solve their everyday problems and health insurance organizations can better create value through innovation for our customers' competitive advantage. Changing the nature of the organization's activities led to the growing importance of knowledge work is the application of knowledge management in organizations. In service organizations, including the insurance, the quality of service is widely used as the main explanation for the success of an organization in today's competitive environment. Any decrease in customer satisfaction due to poor quality of service is a concern. Nowadays, knowledge management is known as a key strategic advantage. In turbulent conditions governing the organization and intensification of competitive processes, achieving strategic advantage and creating new distinctive competencies are the main condition overtaking competitors and this depends on the quality of management practice knowledge and capital resources elite organizations. Despite the importance of the issue of creation, preservation, transfer and application of knowledge in developing core competencies and strategic advantages, some scientists still believe that knowledge of the key factors enabling or inhibiting behavior, sharing of knowledge are not deep (Zafarian et al., 2008). Given the importance of the insurance industry in the development of the country, innovation is very important insurance organizations and the evaluation and comparison by examining the quality of performance is a step towards continuous improvement.

### **The main hypotheses**

1. Knowledge management affects the organizational innovation of KhorasanRazavi health insurance.
2. Knowledge management affects the organizational learning of KhorasanRazavi health insurance.
3. Organizational learning affects the organizational innovation of KhorasanRazavi health insurance.
4. Knowledge management affects the organizational innovation of KhorasanRazavi health insurance by taking effective mediating role of organizational learning. In this research, knowledge management is as an independent variable, organizational innovation is as the dependent variable and organizational learning is as a mediator or broker requirements. The research on the effect of knowledge on organizational innovation of KhorasanRazavi health insurance is done with a view to mediating role of organizational learning.

This study attempts to answer a scientific problems and difficulties in the real world and in the end, the purpose of research or experimental development theory is not a theory but rather the development of new products or processes (Khaki, 2011). On the other hand, descriptive study examines the current status and describes its current state. It also studies the characteristics of the variables and relationship between them (Hafeznia, 2006). A variety of research in the division of descriptive research is survey research. In this method, the attitudes and behavior of society based on a sample that represents a particular community of people and their opinions will be examined through a series of specific questions (Khaki, 2011). The main points of survey is that this type of research, if properly implemented, provides the results of a small group that can be generalized to a larger group (Sakaran, 2007). Survey research can be divided into two categories: survey-analytical and descriptive survey. In research, analysis, researchers estimates integrating and processing data obtained, while the research is descriptive survey researcher to express elements and characteristics of the study population without any perception (Sarmad, Bazargan and Hejazi, 2011). The research method in terms of objective is applicable, the method of data collection is descriptive and analytical survey, and structural equation modeling was used because in addition to describing the current status, to test hypotheses based on projected deals based on relationships.

The population of this research includes 89 of the managers or officers of Health Insurance Organization in KhorasanRazavi that the representatives are included. Given that this study was based on practical purpose, the representativeness of the sample group for the purposes of generalizability to the community is important, and the sample size

is limited, So simple random sampling is used In the present study sample size was calculated by the formula Cochran that the managers or officers of health institutes in KhorasanRazavias the sample calculated to be 72.412402575398 89 people or 72. Due to the nature of the research, in addition to search and review in the library, search the internet and in magazines and journals, questionnairewas used to collect data. It measures the variables that have been extracted from previous research and these variables are proper and valid according to recent research.The questionnaires consisted of two parts. The first part included demographic questions such as age, gender, marital status, education level and work experience, and the second includes specific questions regarding the research variables. The second part the questionnaire included 22 items or phrase based on five Likert scale from "strongly disagree" to "strongly agree", and the respondents select one of the specific measures.At first, questions related to the independent variable (KM) in the form of 9 items, 3 items relate to the acquisition of knowledge, 3 items relate to the application of knowledge and finally 3 other items relate to the transfer of knowledge. Then, the questions related to the depended variable (organizational innovation) are in the form of 5 items by considering two types of innovation in behavior and process. The last part of the questionnaire relate to the mediator role of research (OL) in the form of 8 items with the size of management commitment, vision system, outdoor and experimentation and transition and integration services.Items related to knowledge management are based on Gold'squestionnaires (2001), the items relate to organizational innovation are based on Wang and Ahmad's questionnaire (2004) and items relate to the organizational learning are based on Pilar and colleagues'questionnaire (2005).A total of 90 questionnaires were distributed among the directors or officers of KhorasanRazavi health insurance organization, a number of questionnaires is not returned. Finally, 72 questionnaires were analyzed.In the present study, in order to determine whether or not the items represent variables,confirmatory factor analysis is used that it is done by the software smart PLS. In the confirmatory factor analysis,when the factor value is closer to number one, it suggests that the questions are strongly associated with variables. If it is equal to zero, it means that there is no relationship between the questionnaire and the main variable,andthere is negative loadings means to reverse the effects of the questionnaire on the main variable.In confirmatory factor analysis, it is necessary that the average load factor should be higher than 0.3 (Chin, 2003).The results of confirmatory factor analysis in the study also showed that the average load factor in all the variables is higher than 0.3 and therefore, the validity of the questionnaire is appropriate.Convergent validity refers to the principle that any structural indicators have moderate correlation with each other.According to Fornell and Larker (1981: 44), the convergent validity of that average output variance is greater than 5.0.This study is also to measure the reliability of Cronbach's alpha coefficient indicator used Toolsand this quantity is between zero and a change for the Human Science Research Cronbach's alpha coefficient greater than 0.7 is acceptable.Certainly in the case of low alpha value by eliminating the need to check that one questions its value will increase (Sarmad et al., 2011). In this study, to assess the reliability of the questionnaire, 30 questionnaires were analyzed.Using statistical software SPSS 18, the reliability coefficient was calculated using Cronbach's alpha that results are in the table:

**Reliability results**

Table 1

( CR)	Cronbach's alpha	Variables
0/878	0/791	Knowledge
0/863	0/763	Application of knowledge
0/888	0/811	earn knowledge
0/847	0/783	Organizational Learning
0/840	0/752	Organizational Innovation

Since Cronbach's alpha reliability coefficient is greater than0.7 in all the variables of questionnaire. Therefore, the questionnaire has good reliability. Researcher for the study, data interpretation pays answered questions. Since the raw data is difficult to explain and impossible. Researchers should analyze the data and then to interpret for them (Khaki, 2011). The statistical analysis included descriptive and inferential analysis. In this context, to analyze the data collected, first the demographic variables of respondents analyzed using SPSS software will be described, and then in the statistics, all hypotheses using structural equation modeling techniques and the use of software test and analysis (PLS)

Table 2

Frequency and percentage of respondents to the questionnaire.								
Level of education			Marriage status			Gender		
Frequency percentage	Frequency		Frequency percentage	Frequency		Frequency percentage	Frequency	
8%	6	Associate Degree	8%	6	Single	19%	14	Female
55%	41	BA	92%	69	Married	81%	61	Man
20%	15	MA	100%	75	Total	100%	75	Total
17%	13	PhD						
100%	75	Total						

Table 3

Frequency and percentage of respondents to the questionnaire.					
Experience of work			Age		
Frequency percentage	Frequency		Frequency percentage	Frequency	
3%	2	Lower than 5	15%	11	25-35
23%	17	6-10	56%	42	36-45
21%	16	11-15	24%	18	55-46
37%	28	16-20	5%	4	More than 55
9%	7	21-25	100%	75	Total
7%	5	26-30			
100%	75	Total			

In order to analyze the data, firstly to assess the reliability and validity and secondly to assess the structural model are discussed. There are several ways to validate the measuring tool in the study to check the validity of validity, convergent construct is used. In the present study to confirm the validity of the questionnaire, supervisor and several professors of Islamic Azad University Mashhad Management Group were requested to assess the validity. After review and evaluation by professors and experts in the questionnaire, a questionnaire was applied and its validity was confirmed and the compliance with social norms, organizational environment and goals of the study were evaluated. Construct validity show that measuring the extent, the size of a structure or feature that is on theoretical basis. It also notes that the results obtained from the use of a tool to measure how far the theories that have been developed on the basis of the test. (Sakaran, 2007). The conformity factor analysis is one of the practices that are used to determine the validity. Managing credit is a form of credit facilities obtained through factor analysis (Sarmad et al., 2011). Confirmatory factor analysis can be both exploratory and conformity. In fact, it should be stated that the factor analysis attempts to identify underlying variables or factors (latent variables) to explain the pattern of correlations between observed variables (Homan, 2008). In the present study, in order to determine that the items are related to the variable, conformity factor analysis is used that is done by Smart OLC. In the confirmatory factor analysis, when the factor value is closer to number one, it suggests that the questionnaire are strongly associated with variables. In confirmatory factor analysis, it is necessary that an average load factor behigher than 0.3 (Chin, 2003).

The results of confirmatory factor analysis in the study also showed that the average load factor of all variables are higher than 0.3. Therefore, the validity of the questionnaire is appropriate. Convergent validity refers to the principle that any

structural indicators have moderate correlation with each other. According to Fornell and Larcker (1981), the convergent validity of that average output variance (AVE) is greater than 0.5.

**Conformity factor analysis for variables**

Table 4

(SE)	T	Conformity factor	Questions	Variables	
0/009	94/850	0/889	Kac1	Acquiring knowledge	
0/018	45/769	0/810	Kac2		
0/014	60/581	0/855	Kac3		
0/014	60/119	0/854	Kap1	Application of knowledge	
0/028	27/249	0/759	Kap2		
0/013	67/587	0/855	Kap3		
0/013	67/996	0/874	Kco1	Transfer of knowledge	
0/015	55/965	0/850	Kco2		
0/017	46/125	0/796	Kco3		
0/125	3/405	0/427	Kt1	Organizational learning	
0/016	51/041	0/807	Kt2		
0/015	53/157	0/820	Oe1		
0/034	18/782	0/640	Oe2		
0/019	40/191	0/777	Ctl1		
0/020	40/451	0/813	Ctl2		
0/049	10/181	0/504	Sp1		
0/026	26/555	0/698	Sp2		
0/018	45/815	0/807	Oin1		Organizational innovation
0/020	38/911	0/769	Oin2		
0/014	3/345	0/874	Oin3		
0/022	36/379	0/797	Oin4		
0/014	61/111	0/847	Oin5		

Based on the above, all markers studied structures are higher than 1.96 and higher levels of factor loadings of 3.0, so they are important to measure. Therefore, to assess the accuracy and validity of selected markers indicates that a cursor, an appropriate factor to measure the dimensions of the structures in the study were provided. In addition to confirming the validity of the construct validity, convergent validity index is used. Convergence of criteria is used to validate AVE. The value of this coefficient ranges from 0 to 1, which is higher than 0.5 accepted.

**The convergent validity**

Table 5

AVE	Variables
0/706	Transfer of knowledge
0/679	Application of knowledge
0/725	Acquiring knowledge
0/533	Organizational learning
0/534	Organizational innovation

According to the table above it can be concluded that the measures are having any structure highly correlated with each other. According to verify the reliability and validity of the following hypotheses were confirmed using the dimensions investigated. The following figure shows research models for hypotheses. Coefficients in these diagrams are divided into two categories. The first hidden relationships between variables (oval) and observed variables (rectangle) that so-called relationships loadings. Considering the load factor can be said that the share are significantly more relevant in measuring the structure and share of less variables. On the other variables that have a larger factor loadings, greater share of the relevant structures are measured and variable load factor is lower, fewer contributions. The second and relationships between variables that are

concealed and hidden under the path are known and used for hypothesis testing. All values are tested using the t test. The statistic (t-value) is significant when the absolute value is greater than 1.96.

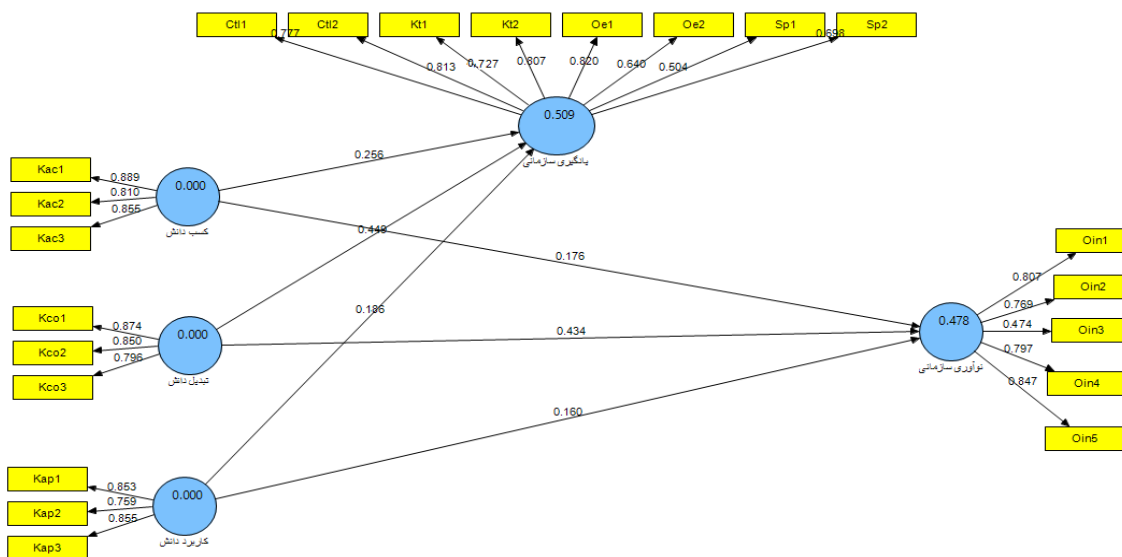


Figure 1.

**Coefficients of path and load factor of the first model of research**

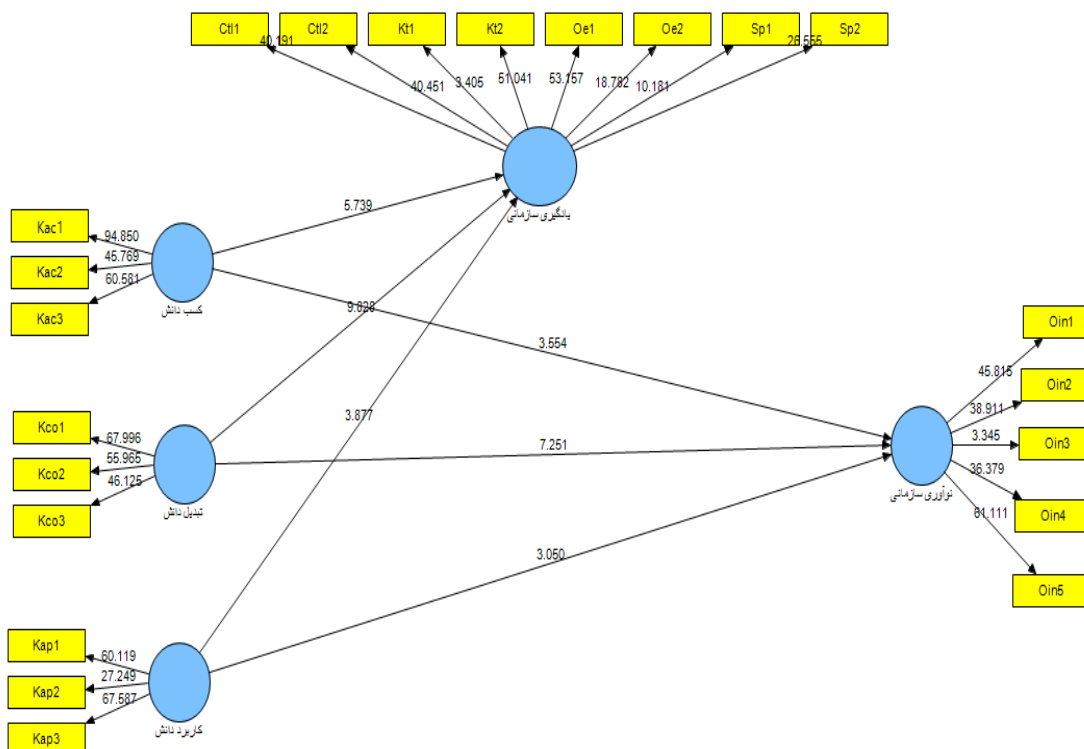


Figure 2.

**Results of t test for the first model of research**

In the study of the effect of knowledge on innovation in health insurance organization, as in Figure 4-6 has proved, path coefficient equal to the amount of positive 0.176 and 3.554 of the absolute value of the t-statistic (Figure 4-7). The number

is greater than 1.96. As a result, we can say with a 95 percent gain knowledge on innovation has significant positive effect. As a result, first sub-hypothesis research has been accepted.

Table 6

Coefficients of path and t value for the first model of research				
Coefficient of path	T	Standard error	Result	Sub-hypothesis
Hypothesis is accepted	0.05	3.554	0.176	First
Hypothesis is accepted	0.06	7.251	0.434	Second
Hypothesis is accepted	0.052	3.05	0.16	Third
Hypothesis is accepted	0.045	5.739	0.256	Fourth
Hypothesis is accepted	0.05	9.028	0.449	Fifth
Hypothesis is accepted	0.048	3.877	0.186	Sixth

It is necessary to examine the hypotheses underlying the model were examined in the following diagram.

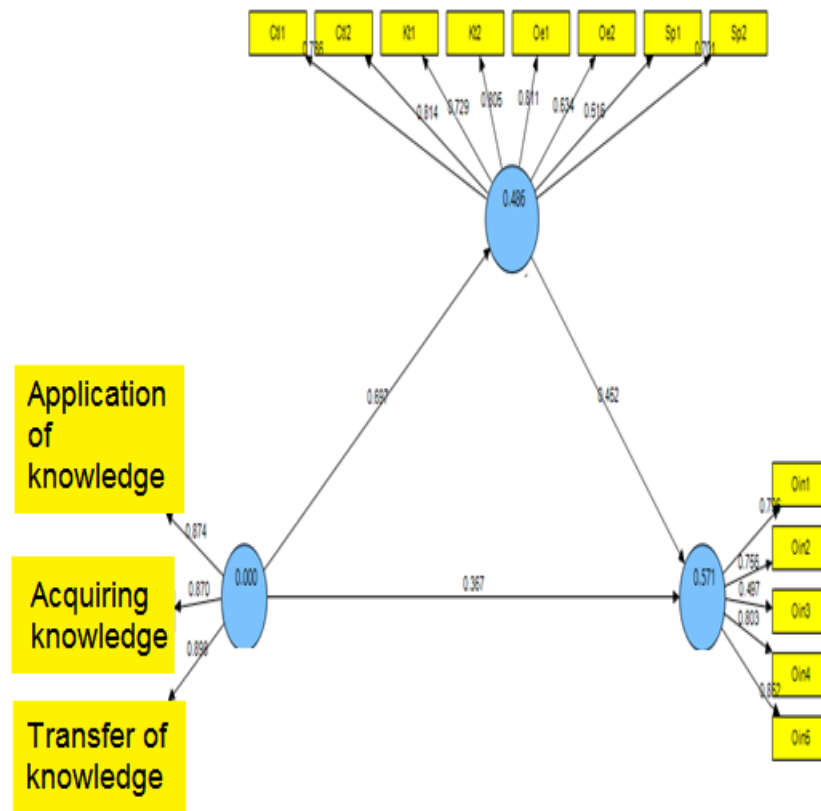


Figure 3

**Coefficients of path and conformity factor in the second model of research**

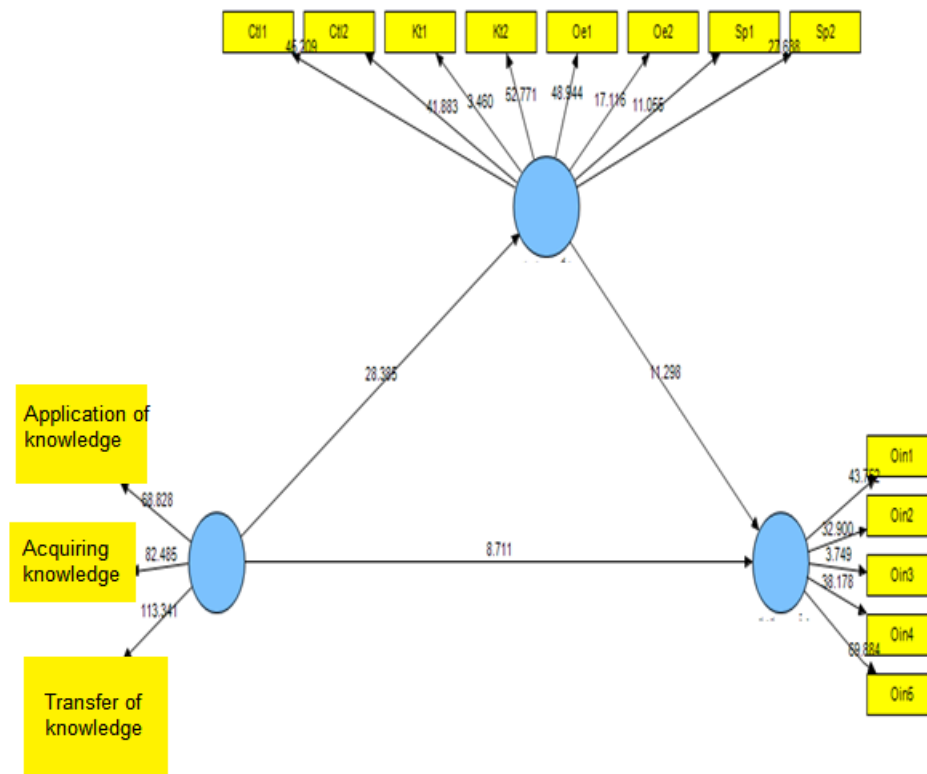


Figure 4

**The results of the second model t**

Due to the influence and model in this section to test the assumptions of the model, the effect of knowledge management on organizational innovation in health insurance organization has been seen in the graph, and the absolute value of the coefficient value is positive value. As a result, one can say with 95% confidence, knowledge management has a significant positive effect on organizational innovation in health insurance organization. As a result, the main research hypothesis is accepted.

Table 7

Coefficient of path for the main hypotheses				
Result	Standard error	T	Coefficient of path	Main hypothesis
Hypothesis is accepted	0.042	87.11	0.367	First
Hypothesis is accepted	0.025	28.385	0.697	Second
Hypothesis is accepted	0.04	11.298	0.452	Third

Given that the main assumptions of the second (independent variable impact on the interface) and the third main (impact on the dependent variable interface) has been accepted. The indirect effect significant impact on organizational innovation, knowledge management and its coefficient is 0.315-0.697\* 0.452



As a result, we can say that knowledge management has a significant effect on organizational innovation through organizational learning. Given the results obtained and the main assumptions (influence of the independent variable on the dependent variable) was the path coefficient equal to 0.367. It can be said the direct effect of organizational learning is more indirect effect.

### **Conclusion**

As the results showed, the acquisition of knowledge affect innovation of health insurance in Khorasan Razavi, and it was noted that the implementation of knowledge management leads to innovation. In this regard, the human aspects such as communication, knowledge management, partnership, cooperation, collaboration, interaction and interdependence have been considered. Therefore, the health insurance should provide a profile of its clients to communicate with them that this communication can be possible by sending messages. After communicating for participation, the physician should have a two-way communication that in this method, we can analyze the data to know whether or not insurers' are satisfied. Therefore, you can communicate to achieve the predetermined goals. As it was mentioned, knowledge management affect the organizational learning of health insurance in Khorasan Razavi.

In organizational strategic goals, learning and teaching are always important parts of the planning that it needs good infrastructure for interested partners to transfer their work experience, or anything that can increase the potential for cooperation would be willing to increase productivity. In this regard, facilities are necessary to carry out the transfer and motivation for collaboration. Also set up training courses using modern up to date facilities and equipment is also recommended. Organizational learning on organizational innovation Khorasan Razavi affect health insurance. The main philosophy of this hypothesis are asking how we can increase our learning leading to innovation in the organization. Why would ensure continued innovation within the organization and the customer relationship. As mentioned in the text, one of the hypotheses is the effect of knowledge management on the organizational innovation in health insurance of Khorasan Razavi by taking effective mediating role of organizational learning, and then those that could affect the characteristics identified and these also keep or discard. In the hypothesis that one of the purposes of this study is to study the effect of knowledge management. To see how much learning is affected and thus measure the impact of learning on innovation, it can be said that if a transfer of knowledge is experienced and one of the indicators of learning tasks by reducing the error rate is upside. This measure pollen and reduce errors when they occur. As well as peer behavior is done thinking led to the introduction of a new solution for an activity. Here we can say that knowledge management affects the organizational learning of innovation.

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