

## **Investigating the Relationship Between Intellectual Capital and Organizational Learning Capability in Faculty Members of Higher Educational Centers of Sirjan**

Fatemeh Shah Abinejad, Hossein Zeinolsalehin and Hamid Taboli  
Payam Noor University, Tehran, Iran

**Abstract:** The purpose of this study was to investigate the relationship between intellectual capital and organizational learning capability in faculty members of higher educational centers of Sirjan. A descriptive, quantitative, correlational design was used. A representative population of research concludes all faculty members of higher educational centers of Sirjan. The population consists of 186 faculty members. A data collection instrument included demographic questionnaire, questionnaire of intellectual capital and organizational learning. Data analysis included descriptive statistics, Pearson's  $r$  and Spearman's correlations, regression analysis, ANOVA analyses and SPSS Software (package of Spss/pc++ver21). The results of this study show that there is a significant relationship between intellectual capital and organizational learning capability. According to the results, there is a significant relationship between structural capital, human capital and relational capital with organizational learning capability.

**Key words:** Intellectual capital, organizational learning, organizational learning capability, Sirjan, ANOVA

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### **INTRODUCTION**

Intellectual capital is the intangible value of an organization which is distinct from its physical assets. During the last century the share of physical capital from the economy of advanced countries has been decreasing, while the share of human capital has increased. Different types of capital are considered input in the process of producing goods and services but human capital has a more complex role in this process (Aggestam, 2005). It is regarded as the most important source of competitive advantage (Bhusare, 2013). Organizations need information and knowledge to be able to have a share in today's markets and improve their performance (Harvey and Denton, 1999). Organizational culture is an important concept in knowledge management and organizational behavior. It includes the values and behaviors that contribute to the social and psychological environment of an organization. Organizational culture is gaining increasing importance and has become a central topic in management. It is one of the most important factors in organizational development and many researchers have attributed Japan's success in industry and management to their consideration of organizational culture (Bontis, 1998). Development of knowledge and technology and expansion of businesses have created a competitive environment with new paradigms where survival is a major challenge. Harvey and Denton (1999) argued that the

requirement for change in the business environment is the realization that knowledge is the most important factor in organizational learning. The culture of competition, welcoming new ideas, risk taking and employee participation in decision making are the factors underlying organizational learning. Brandt and Jones examined the relationship between organizational culture and knowledge management in a manufacturing environment. They showed that manufacturers can improve their businesses by adopting a formal knowledge management program.

Ahmadian and Ghorbani (2013) investigated the relationship between intellectual capital and organizational performance. The results showed that the components of intellectual capital are significantly associated with performance. Daneshfard and Shahabinia (2010) defined organizational culture as the sum of shared beliefs and values that influence organizational behavior and can promote or hinder development. The purpose of this study was to investigate the relationship between intellectual capital and organizational learning capability in faculty members of higher educational centers of Sirjan.

**Organizational learning:** The organizational learning process helps people discover, why problems are seen in a one dimensional framework, demanding questions of the current systems and challenging and questioning

paradoxes as they occur. Such a learning cycle exposes other problems for learners. Learners often never master their environments because they are gradually conditioned to act out imposed behaviours, lacking the opportunity to explore, discover and experiment with environmental stimuli. There is a potential for firms to domesticate, oppress and pacify those who learn. The rule by which behaviour is imposed through organizational language becomes a powerful driving force and it is difficult for people to change the language once it has been imposed. Human values and emotions play a significant role in effective organizational learning. Firms that have developed a strong learning culture are good at creating, acquiring and transferring knowledge and at modifying behaviour to reflect new knowledge and insight. Learning firms excel at creating share division and allowing people to surface and challenge existing mental models. The competencies of a firm are what it can do as a result of resources working together whereas capabilities involve complex patterns of coordination between people and between people and other resources that lead to sustainable competitive advantage over time. Strategic actions are the manifestation of the competence that the learning has created and made possible.

**Principal hypothesis:** There is a significant relationship between Intellectual capital and organizational learning capability in Faculty members of Higher educational centers of Sirjan

**Secondary hypotheses:**

- There is a significant relationship between human capital and organizational learning capability in Faculty members of Higher educational centers of Sirjan
- There is a significant relationship between Relational capital and organizational learning capability in Faculty members of Higher educational centers of Sirjan
- There is a significant relationship between Structural capital and organizational learning capability in Faculty members of Higher educational centers of Sirjan.

## MATERIALS AND METHODS

A descriptive, quantitative, correlational design was used. The population of research concludes all faculty members of higher educational centers of Sirjan. The population consists of 186 Faculty members. A data collection instrument is included demographic questionnaire, questionnaire of intellectual capital and

organizational learning. The faculty members answered the same questionnaire including intellectual capital (Sallebrant *et al.*, 2007) (including 53 questions) and organizational learning (De Pablos, 2003) (including 24 questions). The Cronbach's alpha that obtained from the pilot data was 0.93 for intellectual capital and 0.93 for organizational learning. Data analysis included descriptive statistics, Pearson's r and Spearman's correlations, regression analysis, ANOVA analyses and SPSS Software (package of Spss/pc++ver21).

**Demographics results:** Of the 123 subjects enrolled in the study, 77 % were male and 23% were female. Among respondents aged 30-40 year were the most frequent and least frequent in the age group 50 years and older.

## RESULTS AND DISCUSSION

**Principal hypothesis:** There is a significant relationship between intellectual capital and organizational learning capability in faculty members of higher educational centers of Sirjan:

- $H_0$ : there is not a significant relationship between Intellectual capital and organizational learning capability in Faculty members of Higher educational centers of Sirjan
- $H_1$ : there is a significant relationship between Intellectual capital and organizational learning capability in Faculty members of Higher educational centers of Sirjan

The results showed that the Pearson and Spearman correlation coefficient test, between the two variables is respectively, 0.580 and 0.584. According to the results, there is a significant relationship between intellectual capital and organizational learning capability. Thus,  $H_0$  is rejected and research hypotheses is approved.

**Secondary hypotheses:** There is a significant relationship between human capital and organizational learning capability in faculty members of higher educational centers of Sirjan.

- $H_0$ : there is not a significant relationship between human capital and organizational learning capability in faculty members of higher educational centers of Sirjan
- $H_1$ : there is a significant relationship between human capital and organizational learning capability in Faculty members of Higher educational centers of Sirjan

The results showed that the Pearson and Spearman correlation coefficient test, between the two variables is

respectively, 0.546 and 0.527. According the results, there is a significant relationship between human capital and organizational learning capability . Thus,  $H_0$  is rejected and research hypotheses is approved.

There is a significant relationship between relational capital and organizational learning capability in faculty members of higher educational centers of Sirjan:

- $H_0$ : there is not a significant relationship between relational capital and organizational learning capability in faculty members of higher educational centers of Sirjan
- $H_1$ : there is a significant relationship between Relational capital and organizational learning capability in Faculty members of Higher educational centers of Sirjan

The results showed that the Pearson and Spearman correlation coefficient test, between the two variables is respectively, 0.585 and 0.580. According the results, there is a significant relationship between relational capital and organizational learning capability. Thus,  $H_0$  is rejected and research hypotheses is approved.

There is a significant relationship between Structural capital and organizational learning capability in faculty members of higher educational centers of Sirjan:

- $H_0$ : there is not a significant relationship between structural capital and organizational learning capability in faculty members of higher educational centers of Sirjan
- $H_1$ : there is a significant relationship between structural capital and organizational learning capability in Faculty members of higher educational centers of Sirjan

The results showed that the Pearson and Spearman correlation coefficient test, between the two variables is respectively, 0.505 and 0.509. According the results, there is a significant relationship between Structural capital and organizational learning capability. Thus,  $H_0$  is rejected and research hypotheses is approved.

## CONCLUSION

The purpose of this study was to investigating the relationship between intellectual capital and organizational learning capability in faculty members of higher educational centers of Sirjan. Intellectual capital is one of the important factors in organizational management in the present age. With the rapid development of the global economy, Intellectual capital as a vital stimulus for companies involved with this subject is transformed (Bontis, 2002). Intellectual capital is providing a new resource databasethrough which the organization can

compete (Bontis and Fitz-Enz, 2002). According the results, there is a significant relationship between Intellectual capital and organizational learning capability. This means that with increasing intellectual capital and its components, organizational learning capability increases. These results are in compliant with result Rashidi and coauthors reports there is a significant relationship between dimensions of Intellectual capital (communication, human and structural) and organizational excellence. Honsen and Tesi reports that employees with better communication skills and relationship with the environment, have more opportunities to access to diverse sources. Hosu reports that managers train their employees to employees their knowledgeand improve their overall quality and increase organizational learning capability. According to the findings suggested that Managers provide a context to the ability to identify individual staff research area and enhanced knowledge and skills with training courses.

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