



The Relation Between Knowledge Management and Human Capital With Transformational Leadership of Educational Principals

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Abstract

The present study aimed to investigate relation between knowledge Management and human capital with transformational leadership of educational principals. This study is descriptive in nature; from purpose point of view, the research methodology is functional and for data collection survey method was used. The statistical population consists of all primary and secondary public school teachers in 7th district of Tehran education department during 2013-14 academic years, who are reported 700 teachers. Based on Krejcie and Morgan sample size table, a sample of 243 was selected. For data collection 5 points Lickert scaled questionnaire was used, including the multifactor leadership questionnaire (MLQ) of Olivio and Bass (2000), Lawson's (2002) standard questionnaire of knowledge management and Bontis' (1998) human capital questionnaire. Validity of the questionnaires was evaluated through formal and content validity; and for reliability a pilot study was conducted among 28 teachers. The calculated Cronbach's alpha was 0.979 for KM questionnaire, 0.736 for human capital and 0.946 for transformational leadership questionnaire. To describe data, frequency distribution table, Bar graphs, mean and standard deviation were used and to test the research hypotheses, inferential statistics (Kolmogorov-Smirnov test, Pearson correlation coefficient, Regression) were used. The results showed there is a positive and significant relation between knowledge management (KM), human capital and transformational leadership.

Key words: Knowledge management; Human capital; Transformational; Leadership

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INTRODUCTION

In the process of globalization, organizations must stay ahead of the competition for the trackball rapidly changing environment, and as an agent of change. Changes in the workplace, is the main characteristics of the present century (Singh, 2005). In the meantime, environment recognition, diagnosis and understanding the evolution and awareness of the opportunities, threats, constraints and possibilities which are considered new organizations requirements; It is not possible to achieve using traditional approaches to management (Montes, Moreno1 & Morales, 2005).

Studies have shown that the success of any organization depends on its effective leadership, and this is true for all organizations, including educational organizations. Extensive changes and globalization in today's world requires a new and different leadership style characterized by optimum use of human and material resources and assets, organizational goals realized and are able to develop the capacity and use of them. Leaders who created new prospects for development of insights and inspiration led to the development and innovation, and stimulate followers and commitment; responsibility and consistency; they use their organizational factors elements in a way that ensure the survival of the organization and provides growth of them. These leaders have the ability to operate effectively in a complex and risky conditions, in the sense of self and subordinate to bring the appropriate response to the challenges and opportunities in their work possible. (Mortazavi, Nazmi & Mahmoodi, 2005).

Transformational leadership is the basis and foundation for long-term organizational changes that provides access to higher goals for organizational system. Transformational leaders, prefer effectiveness to efficiency and try to benefit from the organization's human resources according to their and employees' mood (Beikzadeh & Falsafy, 2005, p. 4).

Transformational leadership literature goes back to 1978 and rooted in Bronze' activities. Bronze indicated that transformational leaderships have the vision and and motivate others to do exceptional challenge and keep trying. Bronze continues stating: "Only transformational leaders are able to draw new necessary routes for organizations, because they are the source of change, the change of the whole organization are noble and carried winds of change." (Mooghali, 2003, p. 80)

Transformational leadership obtain the highest performance from subordinates because they are able to inspire their subordinates to enhance their capabilities and skills to successfully solve problems, innovate to evolve their subordinates (Tably, Tirgar, Mozaffari, Mortazavi & Mehrabifar, 2012).

The transformational leadership practices enable organizations to compete in a turbulent and unpredictable when they improve their performance. When the components of transformational leadership as a complement to other measures to be applied; and management benefits from knowledge and human resources invested in intellectual capital as a source of competitive advantage for the organization can become a competitive source, that help significantly in strategic competition and earn higher returns and efficiency in the short term and the long term.

One of the tools that can help organizations to meet these goals, is knowledge management. Knowledge management is the process that helps organizations to find, select, organize and develop important information and human capital are developed and improved through the individual working groups, organizations, groups and networks created. As a result, the leaders by using the behavioral characteristics of transformational leadership and management of knowledge and human capital can lead their followers to higher performance (Humphreys & Einstein, 2003). So, education to be collaborative with the modern management and the current situation should have efficient managers with knowledge, and the educational system should recover human resources lack of mobility; this is possible with transformational leadership.

In today's changing world, we need leaders with dynamic and purposeful perspective, who change beliefs, insights and attitudes of people and by developing values and goals of the organization involves change, individual innovation, effectiveness and efficiency in organization. Furthermore, transformative Director in education system should be equipped with two weapons to come to their proper development, which are knowledge management

and human capital. In this study, researchers sought to answer this question whether there is a significant relationship between the knowledge management and human capital, with the transformational leadership among school principals?

1. THE RELATION BETWEEN KNOWLEDGE MANAGEMENT AND HUMAN CAPITAL WITH TRANSFORMATIONAL LEADERSHIP

Eskandari (2013) in a study examined the relationship between knowledge management and intellectual capital management at the Hamadan's University of Bou Ali. Results of this study show that the status of knowledge management and intellectual capital management at the University of Bou Ali Sina is above average. Pearson correlation coefficient showed a significant positive correlation between knowledge management and intellectual capital management. Multiple regression analysis showed that the factors supporting the learning process of individual and group intellectual capital management has the greatest impact on the forecast.

Chupani (2011) in a study entitled "The relationship between transformational leadership with a focus on organizational innovation in Alborz Insurance Company conclude that there is a positive relationship between transformational leadership and organizational innovation and there is a significant correlation between all of components of the transformative leadership (ideal influence, inspirational motivation, intellectual mobility and individual considerations, communication, inspiration and shared vision) and trends in organizational innovation.

Sanjaghi, Buzgani and Sarkhosh (2011) conduct a study on the impact of transformational leadership on organizational culture and organizational commitment in their defensive organization and the results of this study showed that there is a positive correlation between the three components of transformational leadership and affective commitment, continuous duty. The study also suggests that leadership behaviors impact on organizational commitment, depending on the culture of the organization.

Mirkamali, Sani and Elami (2011) in a study, investigate the role of transformational leadership, job satisfaction and organizational learning in Saipa automobile company. The results showed a significant positive correlation between the components of transformational leadership and organizational learning and idealized influence-one of the components of transformational leadership-has more impact to forecast organizational learning.

Gelard, Boroumand and Mohammadi (2014) conduct a study to find the relationship between transformational leadership and knowledge management in Alvan Sabet Company. For this purpose, having done a revision of

the existing literature on the field, we established five main hypotheses and four sub-hypotheses. To test the research hypotheses we have used questionnaires having been distributed among the population. The population of this research includes all the experts and masters of Alvan Sabet Co. totally being 47 in number. Regarding limitation in population size we have used census method in this research. We've made use of descriptive statistics technique to analyze demographic variables and to investigate the hypotheses, we have used Pearson Solidarity Test and Spearman. The result shows that the correlation between the transformational leadership style and knowledge management has been 0.784 which is considerably high.

Odenyo and Mulongo (2015) carried out a review study on Transformational leadership and human capital management in 21st century organizations. Given the complex nature and competitive environment under which organizations operate in, human capital management, performance management and change management initiatives can be very complex and challenging endeavours. This paper discusses transformational style of leadership and its contribution to management in modern organizations. In so doing, a brief comparison between transformational and transactional leadership is given. The paper goes ahead to suggest transformational leadership as the most appropriate leadership style to be adopted in the modern organizations and societies as it is most compatible with the uncertainties, challenges and perplexities of the 21st century.

Hebret (2011) investigated the correlation between transformational leadership and emotional intelligence in this quantitative study of school principals. Also included in the research was the investigation of the relationship between each construct and effectiveness as perceived by their teachers. The research sample was composed of 30 elementary, middle, and high school principals and five to seven teachers who worked with each principal from schools within the United States. An emotional intelligence score for the principals was obtained by administering the Mayer-Salovey-Caruso Emotional Intelligence Test (MSCEIT). Teachers who worked with each principal completed the rater form of the Multi-Factor Leadership Questionnaire (MLQ-5X). This yielded a mean transformational score, a leader effectiveness score, and scores for other non-transformational leadership styles. Correlations were analyzed to conclude that there is a positive relationship between emotional intelligence and transformational leadership. A positive correlational relationship between effectiveness and both emotional intelligence, and transformational leadership was also evident. Analyzing the relationship between emotional intelligence and different non-transformational leadership styles yielded mixed results. Findings indicate a relationship exists between emotional intelligence

and contingent reward leadership, while no significant relationship was evident between emotional intelligence and other leadership styles. Based on the results of the study, it was concluded that principals and future principals could better develop effective leadership skills by becoming more aware of their strengths and weakness in the area of emotional intelligence, along with improving their transformational leadership behaviors.

Birasnav, Rangnekar and Dalpati (2011) carried out a systematic literature review of traditional and contemporary theoretical and empirical research studies to support the nexus of interrelationship between transformational leadership, KM, and human capital. This review is mainly integrated using a model and propositions that relate transformational leadership and KM with human capital benefits. Findings of the study indicate: Transformational leaders have potential to affect their employees' perceptions of human capital benefits. They also have the greatest potential to augment these benefits through involving them in the KM process, establishing organizational culture, and encouraging communication among employees.

Considering to what stated before and the necessity of researching about this subject, the main purpose of study is investigating the relationship between knowledge Management and human capital with transformational leadership among school principals in 7th district of Tehran education department. The following hypotheses are set forth then:

From the viewpoint of teachers:

- a) There is a significant relationship between knowledge management and human capital management and transformational leadership in 7th district of Tehran Education.
- b) There is a significant relationship between knowledge management and human capital management in 7th district of Tehran Education.
- c) There is a significant relationship between knowledge management and Transformational leadership in 7th district of Tehran Education.
- d) There is a significant relationship between human capital management and Transformational leadership in 7th district of Tehran Education.

2. MATERIAL AND METHODS

Present study is descriptive (survey) in terms of data collection and applied in terms of purpose. The population consists of all teachers of public schools of 7th district of Tehran education department whose number amount to 700. The sample size was extracted from population size based on Krejcie & Morgan Table (Shariatmadari, 2009) and the number of research sample estimated as 243. The sample was selected through random sampling.

For data collection, library research and field study

were used. To achieve the review of literature and theoretical principles, information was gathered by using libraries and studying different publications and articles. In case of field study, data collection was done through Likert Scale structured questionnaires including the multifactor leadership questionnaire (MLQ) of Olivio and Bass (2000), Lawson's (2002) standard questionnaire of knowledge management and Bontis' (1998) human capital questionnaire. Validity of the questionnaires was evaluated through formal and content validity; and for reliability a pilot study was conducted among 28 teachers. The calculated Cronbach's alpha was 0.979 for KM questionnaire, 0.736 for human capital and 0.946 for transformational leadership questionnaire.

3. RESULTS

3.1 There is a Significant Relationship Between Knowledge Management and Human Capital Management and Transformational Leadership in 7th District of Tehran Education

As it can be observed in Table 1, from teachers' viewpoint, the relationship between knowledge management and human capital with transformational leadership is positive. Since a significant level for this ratio is less than 0.05 ($P < 0.05$, $r = 0.666$). And given that the coefficient 0.443, which indicates that, from the perspective of teachers' knowledge and human capital management predict 44.3% of transformational leadership. So the hypothesis is confirmed. That is, from the viewpoint of teachers there is a significant correlation between knowledge management and human capital management with transformational leadership among principals of 7th district education of Tehran.

Table 1
Pearson Coefficient Correlation Test Between Knowledge Management and Human Capital Management and Transformational Leadership

Independent variable	Dependent variable	Sig	Correlation coefficient	Result
Knowledge management and human capital	Transformational leadership	0.001	0.666	Accepted

3.2 There is a Significant Relationship Between Knowledge Management and Human Capital Management in 7th District of Tehran Education

As it can be observed in Table 2, the amount of Sig is less than 0.05 which indicates there is a significant relation between between knowledge management and human capital management in 7th district of Tehran Education. The correlation coefficient is 0.459 which shows a moderate relation between two variables and its positivity indicates the positive and one-direction relation of two variables.

Table 2
Pearson Coefficient Correlation Test Between Knowledge Management and Human Capital Management

Independent variable	Dependent variable	Sig	Correlation coefficient	Result
Knowledge management	Human capital management	0.001	0.459	Accepted

3.3 There is a Significant Relationship Between Knowledge Management and Transformational Leadership in 7th District of Tehran Education

As it can be observed in Table 3, the amount of Sig is less than 0.05 which indicates there is a significant relation between knowledge management and Transformational leadership in 7th district of Tehran Education. The correlation coefficient is 0.630 which shows a good relation between two variables and its positivity indicates the positive and one-direction relation of two variables.

Table 3
Pearson Coefficient Correlation Test Between Knowledge Management and Transformational Leadership

Independent variable	Dependent variable	Sig	Correlation coefficient	Result
Knowledge management	Transformational leadership	0.001	0.630	Accepted

3.4 There is a Significant Relationship Between Human Capital Management and Transformational Leadership in 7th District of Tehran Education

As it can be observed in Table 4, the amount of Sig is less than 0.05 which indicates there is a significant relation between human capital management and Transformational leadership in 7th district of Tehran Education. The correlation coefficient is 0.481 which shows a moderate relation between two variables and its positivity indicates the positive and one-direction relation of two variables.

Table 4
Pearson Coefficient Correlation Test Between Human Capital Management and Transformational Leadership

Independent variable	Dependent variable	Sig	Correlation coefficient	Result
Tendency to change	Customer orientation	0.001	0.481	Accepted

CONCLUSION

In the present era, the process of change and diversity use of instruments in life is increasing more and more. Speed of change was to the extent that any human being, even

in the last century did not anticipate such changes. Global competition and the growing trade in developed countries and developing space for all organizations has created a highly unstable situation. To deal with this uncertain environment and constant change, the need for people in leadership roles strongly felt. It is clear that the traditional leadership in the Third Millennium may not survive, and the world needs leaders who are transformative. Transformational leadership practices enable organizations to take on the competition to improve their performance in a turbulent and unpredictable environment. When the components of transformational leadership as a complement to other measures are applied in leadership, they can become a source of competitive advantage for the organization and use of this competitive advantage can be a significant help in strategic competition and earning higher returns in the short and long its term. In fact, without effective transformational leadership, the likelihood that an organization is able to face challenges to achieve superior performance and even satisfactory, will be reduced.

Due to the positive relationship between knowledge management and human capital with transformational leadership among school principals in 7th district of Tehran education, the research findings by other researchers such as Eskandari (2013), Chupani (2011), Sanjaghi, Buzgani and Sarkhosh (2011), Mirkamali et al. (2011), Gelard, Boroumand and Mohammadi (2014), Odenyo and Mulongo (2015), Herbert (2011), and Birasnav, Rangnekar and Dalpati (2011) confirm the findings of the present investigation.

SUGGESTIONS

Thus, based on the findings of the study the following suggestions are proposed:

- 1) Continuing training: activities to develop educational programs and labor productivity in the organization, make more evident the job and professional knowledge of employees, restrictions and threats and opportunities in the current growth path. Training is one of the ways of organizational development and long-term investment in training leads to the growth of spiritual satisfaction in the organization. This fact could be realized through staff training of including training courses, Workshops, seminars, etc. It should also be noted that educational materials tailored to the tasks and missions and are prepared to meet the objectives of the organization.
- 2) Considering the relation between knowledge management and human capital; needs assessment about the content of the courses should be conducted to coordinate the training courses according to interests and disciplines related to the work of teachers and administrative staff.
- 3) Furthermore, due to the positive correlation

between human capital management and transformational leadership; it is suggested to the most talented, most efficient and most qualified candidate among the candidates to fill each jobs of the organization (the highest level of management the easiest jobs), by funding and necessary precision to invite experts and the use of scientific methods in human capital training at all levels of the organization; which finally leads to significant profit of the education organization.

- 4) Finally, to encourage the spirit of collectivism rather than individualism through the creation of teamwork and offering incentives based on cooperation and participation of the members of these teams, which can lead to an increase in the cohesion among its members.

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