

Studying the Effect of Knowledge Sharing on Insurance Services Quality

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Abstract

Today, the quality of insurance services is the determining factor in the success of a company in a competitive environment. Knowledge sharing will contribute to improving the quality of services in insurance companies. This study examines the impact of knowledge sharing on the quality of insurance services. In terms of the purpose of the study, the method of study is applied and in terms of data collection is descriptive correlation. The population consisted of all employees and corporate clients of group therapy field of Dana insurance company in Mashhad, the sample size is equal to all members of society for all. The measurement tool is a questionnaire, its validity was confirmed, according to experts in the field of management, and reliability is obtained (82.0, 78/0) using Cronbach's alpha coefficient for knowledge sharing and variable quality of insurance services, respectively. The results of structural equation modeling using LISREL software indicates that knowledge sharing does not have significant effect on the quality of insurance services; but aspects of knowledge sharing, including outright transfers, expertise and strategic has positive and significant effect on the quality of insurance services in Dana insurance company in Mashhad.

Keywords: Knowledge Sharing, Quality, Insurance Services.

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Introduction

Today, developments in insurance industry throughout the society and its penetration to different sectioned caused good acclamation in different parts of the society, both

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producers and consumers (Jafarizarmehry, 2014: 2). The insurance industry is considered as one of the most important financial institutions in the country that in addition to securing the economic activities provides country's welfare and economic power (Moradi, 2015: 1). Various insurance contracts are the most important tools in the world which their most tangible role in the world guarantee the future of family as the smallest and the most important economic variable (Tahery bankdar, 2015: 3). The current economic situation and the rotation of financial market toward customer-centric solutions have changed the behavior of insurance companies (Habibi, 2014: 3). Insurance companies other product based solutions in 50 years have been taken over and customers declare various expectations from insurance companies (Salehi, 2015: 2). In addition, in recent years, the entrance of insurance companies and private institutions providing financial services has changed the market relatively monopoly conditions and provided fierce competition between insurance companies in attracting new customers and providing high quality products and services (Daneshmand and Qasm nezhad moqhaddam, 2012: 10).

Previous researches demonstrate that the quality of insurance services leads to loyalty and finally increases the profitability of organizations' insurance services (Karab et al., 2005: 375). Therefore, insurers must know that who are their policyholders? What is their need and what factors affect the loyalty of policyholders? Because satisfied and loyal policyholders are considered as the source of profit for insurance companies (Taherybankdar, 2015: 3); and a company that fails to satisfy its customers, will not remain in country's competitive environment of insurance market for a long time (Saravani, 2013: 4). So the quality of insurance services is well known in determining the success of an insurance company in the competitive environment and any decrease in customer satisfaction as a result of insurance services poor quality is of concern (Akbari, 2011: 3). Regarding the importance of the quality of services, many researchers have tried to identify factors of creating service quality. Among the important factors affecting the quality of services are behaviors and characteristics of employees in participating and sharing the information and knowledge of the organization (Roohie, 2013: 4). Knowledge sharing is one of the strategies to achieve the quality of services (Maddah, 2014: 2). Since sharing knowledge and the experience of the employees, in one hand, and the integration of data and information, i.e., information management, on the other hand lead to reduce in costs and responsiveness increase toward customers (Roohi, 2014: 4). Most managers consider information and knowledge as major factors in the survival of the organization, however, knowledge sharing has always been a valuable asset and an important part of production and services that leads to competitive advantage (Qlychly and Hakim Tehrani, 2012: 89). Without effective knowledge sharing, organizations won't be able to integrate knowledge, skills and abilities of its employees to accomplish innovative and complex tasks (Adrutdin et al, 2015). So, the way of expanding knowledge sharing behavior in the employees is a fundamental issue that needs to be investigated (Zhang et al., 2012). Since lack of knowledge sharing implementation results in loss of intellectual capital and scientific products (Rasouli, 2015: 3). Also, collecting and not preserving tacit knowledge and knowledge produced in organizations lead to others deprivation of access to this knowledge (Amelryaztkesh, 2015: 4). If the available Knowledge is not documented, it cannot be recovered in other times and places (Parvaneh, 2014: 4). It would probably cause economic loss for organizations. Since

organizations and insurance companies probably due to lack of enough knowledge about their specific knowledge or lack of accessibility, might be forced to obtain that knowledge from outside (Nagraheni et al., 2012). Also, the value of the time spent to achieve a new knowledge is not less than the material costs (Ali Zvayn, 2012). In addition, in case that the knowledge is not collected in the organization and failing to record, dissemination of information will provide the opportunity for jobbers and private publishers outside of the organization to publish (Parvaneh, 2014: 5). Therefore, implementing knowledge sharing is one of the concerns and challenges faced by insurance companies managers to gain competitive advantage and to force employees to share what they know, because the staffs' idea is that why people should have the knowledge they acquired hardly whereas this knowledge is considered to be one of the key factors of their individual advantage in the organization. Since the services of Dana insurance companies are provided to their employees based on knowledge, their main capital is the knowledge of knowledge-oriented staffs and thus the effective management and proper utilization of this capital is the main factor for companies to success in a competitive environment. Thus, according to above issues, since the studies undertaken in the field of knowledge sharing and quality of insurance services are few; the main question that comes to the mind of researchers is that does knowledge sharing affect the quality of services in Mashhad insurance branches?

Research Hypothesis

The main hypothesis of research

- Knowledge sharing affects the quality of insurance services in Dana insurance company.

The Secondary research hypotheses of research

- 1) Sequential transfer of knowledge affects the quality of Dana insurance services.
- 2) Apparent transfer of knowledge affects the quality of Dana insurance services.
- 3) Hidden transfer of knowledge affects the quality of Dana insurance services.
- 4) Strategic transfer of knowledge affects the quality of Dana insurance services.
- 5) Expert transfer of knowledge affects the quality of Dana insurance services.

Research Background

Ghavami et al (1394) studied a research entitled "The effect of knowledge management on organizational services quality and innovation in Shiraz public library". Research findings show there is a strong, significant positive correlation between knowledge management and quality of services and between knowledge management and organizational innovation. Also results of beta coefficients of data by multiple regression analysis shows that the quality of services can predict the relationship between knowledge management and organizational innovation.

Azarkharany et al (1393) in a study entitled "Determining the multiple relationships between knowledge sharing and the ability to absorb the knowledge by improving the scientific quality from the viewpoints of selected universities faculty members" reached to the conclusion that there is a significant positive relationship between knowledge sharing and ability to absorb knowledge by improving scientific quality. Also, there is a significant positive relationship between two components of knowledge sharing and two components of knowledge absorbing with each component of scientific quality improvement.

Adrudin et al (2015) conducted a research entitled "Relationship between customer knowledge, knowledge management, service quality and customer satisfaction (a study of Islamic banking in Malaysia). The results showed that there is a significant and positive relationship between customer knowledge and knowledge management, and customer satisfaction and the quality of banking services offered to customers.

Ali Zwain (2012) conducted a research entitled "the relationship between total quality management and knowledge management and organizational performance in institutions of higher education in Iraq. The results show that there is a positive and significant relationship between dimensions of total quality management and dimensions of knowledge management and organizational performance dimensions.

Method of research

The method of present study in terms of the purpose is applied research and is descriptive and correlational in terms of methodology. The study population included all employees and corporate clients in the field of group therapy in Dana insurance company in Mashhad, which were selected using the census of all 50 workers using Cochran's formula, and 70 corporate clients of the Dana insurance company branches in Mashhad using random sampling method. Data collection tools in this research are Dixon Knowledge Sharing (KSH) questionnaire (2001) including dimensions "Ordinal transfer (OT), Apparent Transfer (AT), Hidden Transfer (HT), Expertise Transfer (ET) and Strategic Transfer (ST)" and 16 items and Servqual questionnaire of Quality of Insurance Services (QIS) with 5 dimensions (Tangible Factors, Reliability, Responsiveness, Assurance of Empathy) and 21 items and their reliability achieved (87/0, 82/0), respectively, using Cronbach's alpha coefficient. In addition, SPSS software and structural equation modeling with LISREL software was used for analyzing the data.

Results

After collecting data, and evaluating validity and reliability of the research tools using questionnaire data analysis, we can implement the statistical tests. The following reports are also given on Pearson correlation coefficient between research variables. If there is no correlation between research variables, we cannot go through the research questions and relationship between the variables of the model. As table (1) demonstrated, all coefficients are significant at 99% confidence level it could be said with respect to the normality of the data that all obtained correlation coefficients are positive and significant.

Table 1 Pearson correlation coefficient between the variables of research

Row	variables	1	2	3	4	5	6	7	8	9	10	11	12
1	Knowledge Sharing	1											
2	Ordinal Transfer	**0.97	1										
3	Apparent Transfer	**0.78	**0.88	1									
4	Hidden Transfer	*0.89	**0.85	*0.77	1								
5	Expertise Transfer	**0.95	**0.77	*0.84	**0.59	1							
6	Strategic Transfer	*0.80	**0.67	**0.57	*0.66	*0.63	1						
7	Service Quality	**0.44	**0.40	**0.67	**0.66	**0.63	**0.88	1					
8	Tangible Factors	**0.77	**0.47	**0.57	**0.55	**0.66	**0.86	**0.67	1				
9	Reliability	*0.90	**0.66	**0.63	**0.83	**0.83	*0.90	**0.66	**0.57	1			
10	Responsiveness	*0.95	**0.64	**0.90	**0.86	**0.72	**0.77	**0.59	**0.54	**0.64	1		
11	Assurance	**0.97	**0.85	**0.47	**0.84	**0.82	**0.54	**0.73	**0.53	**0.60	**0.62	1	
12	Empathy	*0.95	**0.80	**0.57	**0.71	**0.57	**0.69	**0.67	**0.54	**0.63	**0.71	**0.49	1
**Significant at a 99% confidence level * Significant at 95% confidence level													

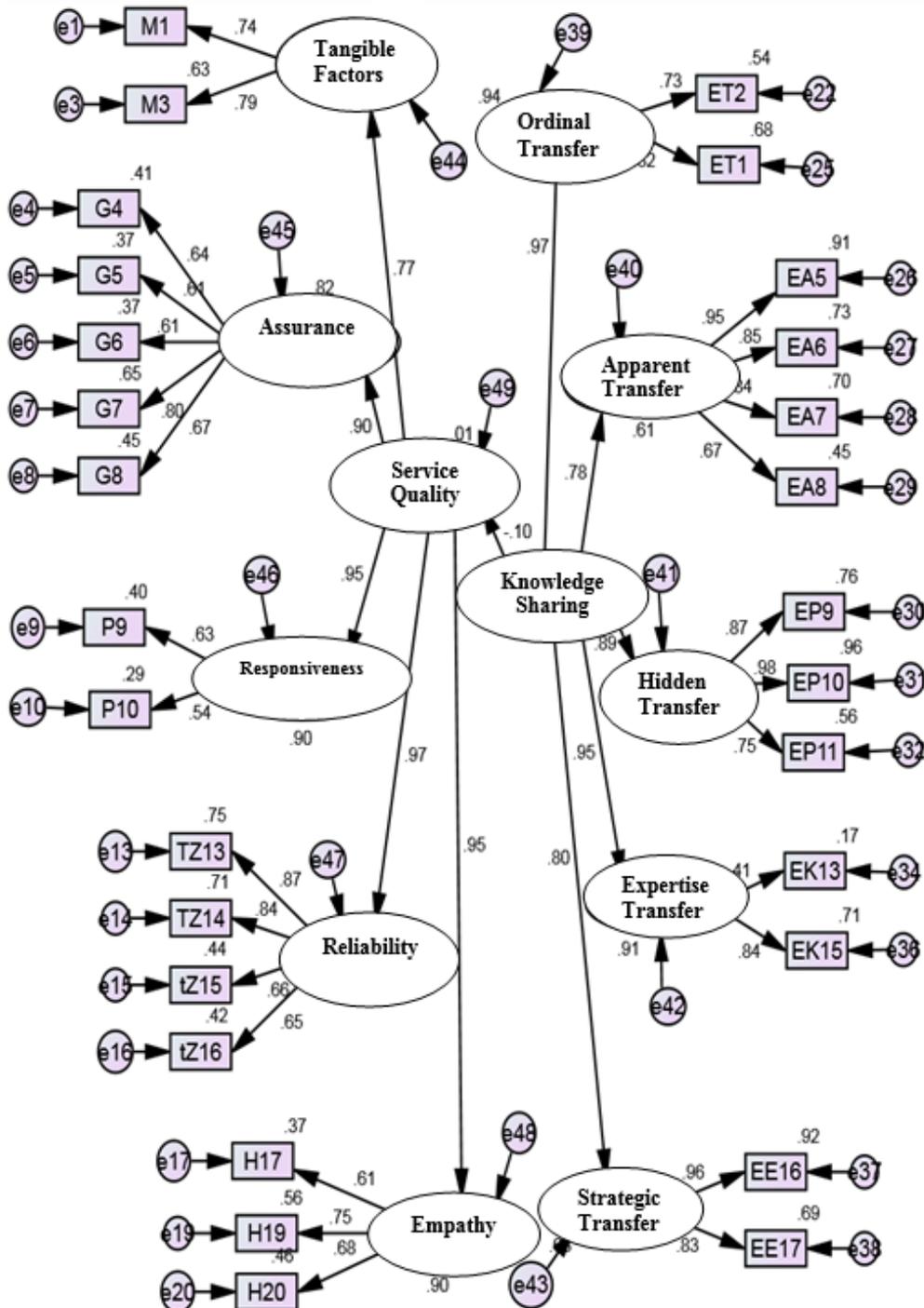


Figure 1 Structural Equation Modeling (SEM) (standard coefficient)

Table 2 shows the results of testing hypotheses and structural relationships between variables of the conceptual model. According to the C.R. and probability value (431/0) no significant relationship was observed between knowledge sharing and quality of insurance services in Dana insurance (05/0 <P). So, the research hypotheses that

"knowledge sharing significantly affect the quality of insurance services of Dana insurance company branches in Mashhad" is rejected.

Table 2 Standard coefficients and significant values of research model

The relationship between model Structures	Estimation	Standardized Estimation	Critical Area C.R.	P-Value	Result
KSH → QIS	-0.066	-0.105	0.78	0.431	Reject
OT → QIS	0.02	0.049	0.546	0.585	Reject
AT → QIS	-0.245	-0.548	-4.60	***	Accept
HT → QIS	-0.005	-0.01	-0.105	0.916	Reject
ET → QIS	0.318	0.427	3.992	***	Accept
ST → QIS	0.106	0.191	2.003	0.045	Accept

Conclusion

Today, many researchers consider the long-term success, profitability, and effectiveness of the insurance companies as a result of quality of services. Accordingly, researchers have attempted to identify factors of services quality one of which is knowledge-sharing. According to the Alawie and Ladner (2001), there is a significant correlation between quality of Services of organizations different department and it has an important role in increasing the quality of services since to provide better services, the staff of each organization ought to share their knowledge and cooperate together to share and gain experience and this could lead to reduce the cost, improve the performance, improve customer services, reduce new products development, reduce the delay in accomplishing tasks and servicing the customers and ultimately reduce the cost of finding and accessing knowledge within the organization and sectors. Also, purposeful knowledge sharing in organization has led to a faster learning of individual and organizational knowledge, creativity developments and led ultimately to organization services improvement. A more targeted knowledge sharing in the organization bring about a faster individual and organizational learning and innovation and the development of products and higher quality services are manifested better to customers. This paper reviews the effect of knowledge sharing on the quality of insurance services. To achieve this goal, research hypotheses were designed and tested, and according to the results of the analysis it can be stated that regarding the significant coefficient in structural equations, and since the significant number between the knowledge sharing independent variable and the dependent variable of services quality is less than (+1.96), i.e. the estimated error coefficient of this hypothesis is more than 5 percent, thus it is not possible to obtained a satisfactory level of assurance to estimate the hypothesis. Therefore, knowledge sharing will not affect the quality of insurance services in Dana insurance company. The results of the study are consistent and in line with the results of Azarkharany et al (2013) stating that knowledge sharing has no significant direct effect on improving the services quality. But the results are not consistent with Qolychly and Hakimy tehrany (2012) that showed that knowledge sharing has a significant positive impact on quality of the services in Parsian Bank. The results are also inconsistent and misalignment with Ssoomi (2012) which states that there is a significant positive

relationship between knowledge sharing and increased services quality. Also results of secondary hypotheses of study indicate that between 5 dimensions of knowledge sharing, only apparent, expertise and strategic transfer significantly and positively affect the quality of insurance services in Dana insurance company in Mashhad but sequential and hidden transfer have an estimation error more than 5 percent, which led to the rejection of these assumptions. At the end, it is necessary to refer to these points to guide future researchers in this field:

More accurate classification of dimensions of the services quality and pay more attention to customer knowledge management approach to improve knowledge sharing in organizations can be carried out in future studies. In addition, the criteria of knowledge sharing in other models, dimensions of knowledge management and their comparisons will elevate the reliability addressed in this study and act as a candle in darkness or a spark to start the movement of researches in this field and be an aid in other researches. In addition, modeling of insurance services quality and providing suitable templates and patterns in order to measure the quality of insurance services in knowledge management systems are interesting topics that are recommended as the subject of further works. It should be noted that to measure the services quality indicators, questionnaires are not the most appropriate options and tools such as observation can increase the reliability of the study.

Research Recommendations

It is recommended to provide staffs with trainings in their job fields and knowledge relevant to their responsibilities and that after obtaining the necessary training and gaining a sense of empowerment, be allowed to decide in their job which this leads to an increase in the quality of decisions and the quality of services they provide.

Before doing anything, organization ought to consider the participation culture and sharing mental models of the staff; and provide a culture that encourages transferring and sharing the knowledge in organization. It is necessary for organizations to provide the staff with information and knowledge needed in making decisions about duties delegated to them by managers. That way, instead of in making decisions themselves, managers will provide employees and managers necessary information to make decisions themselves through personal decision. In this case, they certainly assume responsibility of the decisions easier.

In addition the managers of Dana insurance branches are recommended to support knowledge management programs and the tacit knowledge transfer programs, and form teams of managers, assistants, specialists and staff to transfer knowledge between different sectors, that detect problems and offer solutions through persuasive discussions, this way they provide the opportunity to transfer the knowledge between individuals and make team growth and development and empowerment of people possible.

According to Kessel et al (2012) Dana insurance company is recommended to increase staff psychological security, i.e. people could freely share their opinions and knowledge without worrying about ridicules, humiliate, or others blame or opportunistic behavior.

Team works, employee involvement in decision-making and considering their comments and criticisms can improve psychological security of staffs and as a result improving knowledge sharing and quality of services.

According to the theory of psychological ownership, when people take control over one thing for a long time, spent time and energy for it or be familiar with it a feeling is shaped that they are its owner. When the knowledge is gained, created or controlled by employees, they will psychologically feel the knowledge is their property therefore they are not willing to share it with others. Because they feel that their job security is compromised. Dana Insurance company executives in Mashhad are recommended to implement programs to increase job security for the staffs to feel at ease.

It is recommended that Dana insurance company show the valued and respect the organization assume for human resources through adequate payment and sufficient benefits to employees, employee participation in decision-making, considering the Voice of staff, stringent procedures for staff selection, empower them in team works, etc., because according to the social interactions theory, when employees understand they are valued by the organization and their demands are considered; they also come to compensate and show voluntary behaviors to benefit organization and to realize its objectives. Knowledge sharing is an example of a voluntary and constructive behavior.

Dana insurance executives are also recommended to put their knowledge available to the staffs as a role model to present a new culture in the organization and thus the employees exchange their knowledge with each other and the perceived confidentiality of information and knowledge is veined. It is also recommended to eliminate regulations and policies which limit accessibility of people to information and knowledge and instead increase knowledge accessibility and the exchange in the organization e.g. by the use of office automation.

It is recommended to provide knowledge transfer opportunity via periodic displacement of people in different posts and divisions of the organization. Dana insurance company can provide staffs with opportunity to acquire knowledge from outside the organization with a budget for a three-month training course. To do this, it is necessary to create a balance between the training courses and insurance market needs and include functional materials in improving the quality of insurance services which is applied in successful branches throughout the country.

It seems that Dana Insurance executive through little improvements in the organizational climate can provide a situation to apply employees' new ideas and encourage them to give ideas freely and test their innovations and create an innovative environment in Dana branches. It is advisable to use staffs' new ideas and encourage them to make more opinions and comments, and giving them enough time to test and implement ideas freely and improve knowledge-sharing process.

It is recommended that Dana managers provide a context for employees to share knowledge and experience with others and at the same time ensure that this situation does

not threaten their job. Managers should culture the model that " sharing the knowledge is power, not hoarding it." In this regard, implement the following measures can be useful:

Encouraging employees to exchange knowledge and experiences with each other, forming group meetings in order to exchange ideas, create a friendly atmosphere and trust between personnel, providing bulletins, group discussions to make decision in specific cases, increasing interaction between officials and staffs, facilitating access to information related to their increasing interaction among employees whose work is linked together. Take measures that can strengthen the sense of making influence and creating trust among employees.

It is also recommended that insurance companies due to their redundant administrative rules, plan the administrative processes so as to improve and optimize it to providing knowledge sharing in the process of providing insurance services, and reform the administrative structure of the insurance industry, especially Dana insurance, in order to achieve greater flexibility, and reduce the hierarchy, eliminate unnecessary jobs, deregulation, speed up the performance, less complexity and formality, and focus on increasing the delegation of authority and increase staffs incentives to meet the needs of customers.

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