

# Chapter 19

## Mutual Relationship Between Supply Chain, Business Strategy, and Knowledge Management in Supply Chain

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### ABSTRACT

*The goal of this study is to present a multidimensional structure for relationship between supply chain (SC) strategies, business strategies, and knowledge management (KM) strategies with knowledge sharing in SC of the automotive industry of Iran. This is an applied research and has done as a survey, correlation, and cause-effect research. In this research, confirmative factor analysis, correlation test, co-linearity test, and path analysis were used. The chapter tries to describe quantitatively all the relations in multidimensional structure. Effective knowledge sharing in SC is influenced by the hierarchy of strategies. Thus, SC strategies influence the business strategies, business strategies affect knowledge strategies, and knowledge strategies influence the effective and systematic knowledge sharing in the SC. Therefore, knowledge sharing is most of all influenced by KM strategies but is indirectly influenced by business and SC strategies.*

### INTRODUCTION

The world, after agricultural and industrial revolution, witnessed information revolution that the key and valuable source of it is knowledge (Dong et al., 2017; Elahi et al., 2014). Among the significant developments in the field of management science, the manifest phenomenon was knowledge management (Shafiei Nikabadi et al., 2015). Today, knowledge is considered as a key resource especially in knowledge-based economies (Shafiei Nikabadi & Salimi, 2015). Since the existence of knowledge is

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important for organisations, they try to develop some strategies to strengthen their knowledge (Amin-beidokhti et al., 2016).

In terms of value and challenges (Wan et al., 2015), the issue of knowledge management in university and industry has grown significantly (Twum-Darko & Harker, 2017; Dwivedi et al., 2011). Knowledge management is one of the main competitive sources for every organization so that many believe that the more an organization acquires the knowledge and puts it into practice, the more it succeeds (Bryant & Nguyen, 2017; Shafiei Nikabadi, 2013). Knowledge management is the process of gathering, organizing, and storing the expertise and organizational experiences from different sources and then transmitting them to the corresponding sections that lead to improvement in performance and perception of staffs in different rankings, causes more income and finally yet importantly helps the organization to create value (Nonaka, 1994). Knowledge management is the process of acquiring information through various ways in order to use it immediately and extensively. Indeed, knowledge management is an attempt to provide appropriate knowledge, in appropriate time, and appropriate situation (Shafiei Nikabadi et al., 2016) to maximize profits and provides a comparative advantage for organizations (Carvalho & Gomes, 2017).

With the changing global markets, the ability of companies to take advantage of new technologies plays a vital role in maintaining a competitive advantage (Aliakbari Nouri & Shafiei Nikabadi, 2015). However, high technologies and knowledge have had such rapid changes that many thinkers believe the acceleration in the innovation of produced goods by high-level technology and creation of knowledge and its development have exceeded learning speed of human beings. Therefore, the related organizations may not be able to confront such acceleration even if they employ their strategies, time, and human resources for learning. Knowledge is considered as a key resource for organizations in the long run. For the success of organization, knowledge should consider as an asset and interchangeable between humans. Knowledge of how to solve problems can be obtained and knowledge management will be able to create other knowledge (Shafiei Nikabadi et al., 2015). In fact, Effective management of knowledge is an issue for success (Nevo & Chan, 2007). Shafiei Nikabadi et al. (2015) with the aim of studying the effect of knowledge management strategies on performance of new product development in knowledge-based companies found that there is positive relationship between strategy of knowledge management and new product development performance. Nonaka and Takeuchi (1995) believe that successful companies are the companies that constantly discover and create new knowledge to resolve new and unfamiliar problems. They develop Knowledge purposefully and systematically and in accordance with specific strategic objectives in all layers of the organization, and they change it into new technology and new products (Nassim, 2009) for making sustainable competitive advantages (Gloet & Samson, 2016; Chawla & Joshi, 2011).

With regard to the great importance of knowledge management in organizations, researchers went on to work more of knowledge management, however, most research on knowledge management is organizational, and no comprehensive research on knowledge management in the supply chain has been observed (Shafiei Nikabadi & Ameri Shahrabi, 2014). In this research, we deal with the relationship between supply chain strategies, business strategies, and knowledge management strategies with knowledge sharing in the supply chain of the automotive industry by presentation of a multidimensional structure. Several studies have been done about the relationship between strategies and knowledge management, but no special report has been found by the present researchers that contain a comprehensive view of three strategies of supply chain, business management, and knowledge management. The innovative aspect of the study is a comprehensive view about the relationship between key strategies of each organization to knowledge sharing in the supply chain. Paying attention to supply chain strategies within knowledge

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