

# The Role of Customer Commercial Knowledge Management in Improving the Performance of Employees of Insurance Firms in Iran

Bagher Asgarnezhad Nouri, University of Mohaghegh Ardabili, Ardabil, Iran

Fahimeh Oleykie, University of Mohaghegh Ardabili, Ardabil, Iran

Milad Soltani, European University of Cyprus, Engomi, Cyprus

## ABSTRACT

The purpose of this article is to determine the effect of customer commercial knowledge management on the performance of employees of insurance firms. The population comprises the employees of all insurance companies of Ardabil province in Iran. Due to the small size of the population, no sampling was carried out and the population was examined through a census procedure. Data collection was carried out using Newman and Conrad's knowledge management questionnaire and Patterson's job performance questionnaire. A data analysis was conducted with Pearson correlation and regression analysis using SPSS software. The results showed that customer commercial knowledge management can predict staff performance; hence, it is one of the effective factors in improving staff performance.

## KEYWORDS

Customer Knowledge, Insurance Companies, Knowledge Management, Staff Performance

## 1. INTRODUCTION

Today, one of the paramount strategies of leading companies to gain the ability to change customers, to attract resources, and to gain competitive advantage is to obtain and share customer knowledge in an organization and between an organization and its customers. (Khosravi & Hossin, 2016, p. 265). Customer knowledge enables organizations to make clever decisions to deliver products and services (Ranjbarfar, 2016, p. 5). Knowledge management allows organizations to effectively plan, create, organize and motivate their employees by using knowledge resources (Saqib et al., 2017, p. 25). Studies have shown that customer business knowledge management can be used to create innovation, production, and continuous improvement of services (Shamy Zanjani & Najafloo, 2011). In the present age which is known as the knowledge age, organizations witness an environment which is increasingly becoming more dynamic and challenging. Today, organizations view intangible assets, i.e. knowledge, as a critical, vital factor. Knowledge management, as a system, can help organizations to achieve this goal. Knowledge management helps organizations to find, select, organize and release

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important information, and it plays a vital role in key organizational issues, such as dynamic learning, problem solving, and decision making (Haqiqat Monfared & Sha'bani Mayani, 2012).

In recent years, the concepts of knowledge management and customer relationship management have been further investigated, as each brings some kind of competitive advantage to the organization. As a result of the integration of knowledge management and customer relationship management and the creation of customer business knowledge management, organizations are able to identify the needs of customers and anticipate their behavior. Moreover, as a result of continuous innovation and development, organizations can improve their performance. (Haji Karimi & Mansourian, 2012, p. 76). Several factors have an impact on staff performance, one of the most important of which is customer business management (Lewis & McCann, 2000). Organizations can increase the performance of their employees in different fields by collecting, storing and applying customer knowledge at different levels of the organization. Knowledge management can affect many aspects of the company's operations. Moreover, the creation, preservation and transfer of customer knowledge can affect the level of knowledge of the organization, and application of this knowledge can enhance staff performance. (Barazandeh, 2012, p. 57). By giving the staff feedback on their performance, the organization lays the foundation for their training, and the staff will exert conscious efforts to replace the inappropriate behaviors and eliminate negative and ineffective behaviors (Erdogan, 2002; quoted by Seyed Javadin, 2009).

Furthermore, today, service industries play an important role in the economy of the country. The "insurance" phenomenon serves as one of the most valuable human achievements in tackling dangers and providing economic, social, and psychological conditions. In addition to compensating for economic losses caused by accidents, securing the future, improving the standard of living of individuals, and establishing a safe and secure place for economic growth and development, insurance also brings peace of mind to the members of society (Cravens & Piercy, 1998). Hence, the advancement of the insurance industry could lead to the restoration of the country's economy, the quality of life, as well as the improvement of the livelihood of the people, the maintenance of national wealth, and the formation of large savings (Haqiqat Monfared & Sha'bani Mayani, 2012). Insurance companies have a significant growth potential in terms of CMS management (Aqdasi & Ranjbarfard, 2009, p. 5). Since the insurance industry is considered one of the largest global industries at the moment and huge economic costs are invested through these companies, the new management knowledge applied in these companies proves useful in various economic, commercial and social respects. Therefore, the present study seeks to investigate the role of customer business knowledge management in improving the performance of insurance company employees in Iran. The results of this study can be used in planning for optimal use of customer knowledge in order to improve the overall performance of insurance companies.

## **2. LITERATURE REVIEW**

### **2.1. Definition of Knowledge Management**

Knowledge management is a planned and structured approach to creating, sharing, using, and profiting from knowledge as an asset of the organization, which leads to the discovery of new opportunities (Plessis & Boon, 2004). Knowledge management refers to a set of processes which results in knowledge acquisition, maintenance, and use, the purpose of which is to exploit intellectual property in order to increase productivity, create new values, and enhance competitiveness. (Torben, 2002). Knowledge management affects organizational and occupational factors by updating the organization's knowledge and changes the goals and objectives of the organization's strategies and policies by investigating the conditions of the market. Knowledge management focuses on enhancing the capabilities of the organization by attracting new knowledge into the system. It improves organizational performance by

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