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CONTENTS

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   STATEMENT OF THE PROBLEM

   OBJECTIVES

   HYPOTHESES

   RESEARCH METHODOLOGY

   RESULTS & DISCUSSION

   FINDINGS

   RECOMMENDATIONS/SUGGESTIONS

   CONCLUSIONS

   SCOPE FOR FURTHER RESEARCH

   ACKNOWLEDGMENTS

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   APPENDIX/ANNEXURE

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CONTRIBUTIONS TO BOOKS

- Sharma T., Kwatra, G. (2008) Effectiveness of Social Advertising: A Study of Selected Campaigns, Corporate Social Responsibility, Edited by David Crowther & Nicholas Capaldi, Ashgate Research Companion to Corporate Social Responsibility, Chapter 15, pp 287-303.

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- Garg, Sambhav (2011): "Business Ethics" Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19–22 June.

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THE IMPACT OF IMPLEMENTATION OF KNOWLEDGE MANAGEMENT ON THE FINANCIAL PERFORMANCE OF COMPANIES

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ABSTRACT
Today knowledge is counted as the most important assets of organizations. Therefore knowledge management is the challenge of discovering individual knowing and turning it as a piece of information so that it can be saved on a data base, to share it with others and to apply it to daily works .The purpose of this study is to examine the impact of implementation of knowledge management on the financial performance of accepted companies in Tehran Stock Exchange during 2005-2009. Research method is applied in terms of objectives and is causal-descriptive in terms of its type and hypothesis testing procedure is conducted using a single-variant regression model. Accounting and economic criteria are employed in order to examine the performance of companies. The results indicate that there is a linear significant relationship between knowledge management and companies' performance and also implementation of knowledge management affects companies' performance.

KEYWORDS
Accounting Criteria, Economic Criteria, Financial Performance, Knowledge Management.

INTRODUCTION
In the contemporary complicated and accelerating environment, some of the researchers have tried to discover and identify the core competency and the major source of dynamism in organizations. Some of the studies show that the individual and organizational knowledge (knowledge assets) are the most vital and determinant factors of competency in today's competitive and unstable environment. The awareness of organizations' managers of the value of intellectual capitals has directed their minds to the ways as to exploit such potentials and efficient capabilities, where Nonaka et al., (2001) have stated that the organizational knowledge is the major source of achieving sustainable competitive advantage. Although knowledge and learning are the basics of organizational development and competitive advantage in the organization, organizational knowledge and learning can lead to sustainable competitive advantage when they are developed through the interactions of the individuals in workgroups. The organizations' inclination towards group making and designing structures based on group work is one of the approaches that, in addition to increasing the cooperation, flexibility and customers' satisfaction, can overcome the barriers in creating and transferring knowledge through facilitation and enhancement of the knowledge management process, and help the organization in the dynamic and complex competitive environment.

From the standpoint of Grant (1996, 2001), the new intellectual paradigm in designing the organization can be assumed as a way for achieving implicit knowledge of the organization's members, and as a way for setting up the proper conditions for organizational knowledge management as well. In order to convert the individuals' knowledge to organizational knowledge, organizing the institute with respect to employing workgroups is not adequate, because the official structures of the institute will not be sufficient for the development, implementation and dissemination of the organizational knowledge. Indeed, this happens through the appropriate specific characteristics which a workgroup should benefit from (Zarraga and Perez, 2006).

The other hand, one of the issues communities and organizations have had to face with is the advent of new phenomena and changes. Their occurrences exert remarkable impact on the performance of the communities and organizations. More importantly, appropriate response and paying attention to them or not play a major role in their success or failure (Jasimuddin, 2008). Changes is a constant and vital variable in all human attempts and experiences (Omekwu and Eteng, 2006). Successful organizations are those that are always a step ahead of these changes. Nowadays those organizations which have intangible capitals on their agenda and knowledge on its top will succeed. Such organizations need a new style of management which is referred to as "knowledge management". It is not a new concept in the history of human growth (Lundvall and Nielsen, 2007). The most important goal of it application in different institutes is to adapt quickly to the changes of the environment in order to improve efficiency and profitability (plessis, 2007). Therefore knowledge management refers to the process of creation, dissipation and application of knowledge; in other words, the ultimate objective of knowledge management is to share knowledge among staff to improve its added value in an organization (Brachos et al., 2007).It is a structured approach to identification, evaluation, arrangement and saving and help apply knowledge to meet needs and achieve organizational goals (Davenport and Marchand, 1999). Changes are so quick that in near future we will observe organizations basically different from our expectations of a typical one.

Growth of modern technologies particularly IT , business investment in IT sector, internet growth and its widespread use , change in citizens' expectations and businesses , globalization and pressures from competition has made knowledge and its management a basic requirement for the success of present-day organizations and communities. Reliance upon tangible assets like physical capitals no longer yield result and nowadays the organizations that have intangible capitals on their agenda and knowledge on its top will succeed (Maqsood and Finegan, 2009).

To achieve organizational goals through optimum use of knowledge and or capabilities of an organization to apply individual knowledge and experience and collective knowledge to actualize goals through processes like knowledge production, knowledge share and its use by technology. It is the secret of success in organizations 21st century (Berkes, 2009). To succeed each organization tries to use the set of the knowledge before every individual staff and has been stored in their mind; otherwise, it should be expected to see failure in organizations or to pay high costs stemming from repetition of some decision- making processes and inappropriate use of practical experiences and decisions

LITERATURE REVIEW AND THEORETICAI BACKGROUND
KNOWLEDGE MANAGEMENT
In order to understand and define the knowledge management, it is firstly necessary to clarify the concept of knowledge and its classification.

THE CONCEPT OF KNOWLEDGE

Knowledge is neither data nor information. Though it relates to both of them, their difference is not necessarily substantial and they merely differ from each other in ranking. Some of the definitions of knowledge are as follows:

Knowledge is a fluid combination of the existing experiences, values, information and organized expert views that provide a framework for evaluation of and using new experiences and information (Amanati, 2002).

Knowledge is a series of views, experiences and stages which are put together appropriately. Therefore, it is a proper guide for thoughts, behaviors and communications (Afrazeh, 2005).

KNOWLEDGE CLASSIFICATION

Knowledge is divided into implicit and explicit knowledge. This knowledge is basically obtained through experience and practical learning. This knowledge is the unwritten knowledge of the organization which shows the employees' experience and skill. At the opposite side of implicit knowledge is explicit knowledge, which can be codified and stated orally. There are numerous reasons why the majority of the organizational knowledge should be of explicit kind, some of which include:

The organization will not sustain damages when the employees leave the organization and take their personal knowledge with them. The knowledge possessed by the organization can be disseminated and employed by numerous employees, even by those who are in distant locations.

Knowledge may be gathered for the purpose of decision-making centralization.

Dowenport et al., (1998) define knowledge as "the information which is combined with experience, circumstances, interpretation and reaction". Data articulates information which can be rendered into knowledge through the analysis of the assessment history of results, comparison and addition of other supplementary factors.

In spite of the above mentioned notions, when an organization is immune from employees who take their knowledge with themselves when they leave the organization, it can still be vulnerable due to the simple relationships with competitors who can identify and copy the explicit knowledge (Hall and Andriani, 2002).

KNOWLEDGE MANAGEMENT

There are so many definitions provided for knowledge management most of which refer to knowledge acquisition, maintenance, dissemination and its implementation as the basic concepts of knowledge management (Bennet and Gabriel, 1999).

Marketing requires customers knowledge and information about customers' preferences, competitors, products, distribution channels, service providers, laws and regulations and management general performance; finding a way to create, identify, discover, disseminate, and transfer the organizational knowledge to individuals who need it (Afqahi, 2003).

An organizational problem for which the knowledge management is designed for; a knowledge that is acquired through experience and is not reused due to the fact that it is not officially shared.

Success factors of creating knowledge include knowledge validity assessment, the degree of problem solving, acceptance within the organization, and preparedness as to using and exploiting it, and should indicate the new opportunities, expenses required for exploitation and potential value .Concepts about basic knowledge management processes provided by Marshal and Nonaka have been combined and integrated within an integrated framework, which act together with the four key processes of knowledge management and subordinate functions (Johansen, 2000).

RESEARCH HYPOTHESES

H_1 There is a significant relationship between knowledge management and accounting indices.

H_2 There is a significant relationship between knowledge management and economic indices.

Economic and accounting criteria are used in order to evaluate companies' performance.

ACCOUNTING CRITERIA

In accounting criteria, the company's performance is examined using accounting data. In addition to information of basic financial statements and accompanied notes, market information is employed to measure the performance. The criteria remove the flaws of previous measures in addition to maintaining their advantages. Given that market information is used, criteria are somehow more relevant and have better correlation, yet less reliable and because market information is always changing, the criteria are partially instable. These criteria are superior to historical information measuring the performance of company more accurately. The accounting criteria in measuring company's performance are:

Earnings, earnings growth rate, free cash flows, earnings per share, and financial ratios including: return rate of assets, return rate of investments, rate of return on equity, price to earnings ratio, market value to book value ratio of share, and Tobin Q ratio.

ECONOMIC CRITERIA

In economic criteria, the performance of company is examined based on the power to gain present assets and potential capital profit and considering return rate and cost rate of the capital. Economic criteria try to transform accounting information into economic information with some modifications to make them the basis of evaluating companies' performance. They evaluate performance of the company based on the power to gain present assets and potential capital profit and considering return rate and cost rate of the capital. Economic criteria of companies' performance evaluation include market value-added, economic value-added, and reformed economic value-added.

RESEARCH VARIABLES

Independent and dependent variables of the study are respectively knowledge management and variables depending on financial performance of the company including earnings, earnings growth rate, free cash flows, earnings per share, return rate of assets, return rate of investments, return rate of equity, price to earnings ratio, market value to book value ratio of share, Tobin Q ratio, market value-added, economic value-added, and reformed economic value-added.

Knowledge management: is the attempt for discovering assets hidden in individual's mind and converting the implicit treasure to organizational asset so that the wide range of individuals involved in decision-making can make use of them (*Danport, 1988*).

Earnings: accounting earnings is incomes minus costs

Growth rate of earnings: is the product of investment rate to return rate

Dividend earnings: is an amount of company's earnings annually divided based on decision of assembly.

Free cash flows: are calculated by the difference between net operational earnings after taxes and net investment in operational assets.

FCF=NOPAT-I

Earnings per share: net earnings after taxes divided by the number of company's shares.

Return rate of the assets: is one of the financial ratios gained through dividing net earnings plus return cost by total assets.

Return rate of investment: this is an accounting criterion calculated through dividing operational earnings by investment and includes all profitability elements (income, cost and investment).

Return rate of stockholders' equity: one of the financial ratios determined through dividing earnings after taxed by stockholders' equity.

Price to earnings ratio: conventional tool in analyzing companies, industries and market status gained through dividing market price per share by the earnings per share of the same share.

Market value to book value ratio of share: it is calculated through dividing market value per share by the book value per share of the same share. Book value per share shows historical values. On the other hand, market value per share reflects future cash flows which company will gain.

Tobin Q ratio: is among companies' performance evaluation tools gained through dividing company's market value by its book value or assets replacement value of the company.

Market value-added: the difference between market value of company's stock and the amount of capital provided by the stockholders.
MVA= MARKET VALUE OF SHARES - SHAREHOLDERS' EQUITY
Economic value-added: indicates earnings remained after capital costs, whereas accounting earnings are determined without considering capital costs.
Reformed economic value-added: as stated before, EVA is calculated as follow:
EVA= (r-c) * capital
In this formula, net book value of assets is used for determining capital cost. If net daily value of assets is used instead of their net book value, the outcome will show reformed economic value-added or REVA. In the formula, *capital* stands for book value of assets, *r* return rate and *C* capital cost employed by the company gained from WACC or Weighted Average of Capital Cost. To better understand stockholders' wealth changes, capital cost and company's assets must be used based on market values. Accordingly, a modified form of EVA is gained as REVA calculated as follow:
EVA= (r-c) * M capital
Where *M capital* stands for market value of company's assets determined as follow:
M capital= ordinary stock and premium stock market value + book value of liabilities - non-return current liabilities

RESEARCH METHOD
The present study is an applied research in terms of objectives and is a correlation study in terms of its type. Data gathering method is conducted as follows: Data gathering comprises two library and field techniques so that data required for literature review and background of the study was gathered using library technique as well as financial information of accepted companies in Tehran Stock Exchange and respective databases were gathered using field technique.

STATISTICAL POPULATION
The statistical population of this study includes accepted companies in Tehran Stock Exchange and those having the features below:
- Not being among investment or financial brokering companies
- Their fiscal year must end by March.
- Not performed downside during the years under study
- Entered Stock Exchange before 2005
- Their fiscal year was not changed during the span of the study
- Not exited Stock Exchange during the span of the study

Span of the study is 5 years from the beginning 2005 to the end of 2009.

RESULTS
DATA ANALYSIS
Initially, we use descriptive statistics for hypothesis testing. Table 1 represents a description of independent variable (knowledge management) and 14 dependent variables of the study including earnings, earnings growth rate, free cash flows, earnings per share, return rate of assets, return rate of investments, return rate of equity, price to earnings ratio, market value to book value ratio of share, Tobin Q ratio, market value-added, economic value-added, and reformed economic value-added.

TABLE 1: DESCRIPTION OF INDEPENDENT VARIABLE AND DEPENDENT VARIABLES

Median	Standard deviation	Mean	Maximum	Minimum	Description	Variable
1105.5	26322.5	11577	135520	37	Technical knowledge	Independent
139014	1704092.2	702260.8	8313668	533	Earnings	Dependent
1.4	1.7	1.8	13.1	0.4	Earnings growth rate	
400	504.1	505.9	2300	0	Dividend earnings	
67284	643553.8	279466.8	4117608	112	Free cash flows	
596	524.3	701.6	2573	16	Earnings per share	
11.4	10.0	13.7	45.3	0.6	Return rate of the assets	
2.7	17.1	5.3	177.2	0.1	Return rate of investments	
32.51	31.3	35.7	309.2	1.2	Return rate of equity	
5.235	5.7	6.6	38.1	0	Price to earnings ratio	
2.105	1.8	2.5	10.2	0.4	Market value to book value ratio of share	
208.66	184.3	245.9	1014.7	20.7	Tobin Q ratio	
186903	2148322.3	763484.5	14388850	-3953160	Market value-added	
731550	5588579.4	2544709.3	30806250	25320	Economic value-added	
304875	4239515.5	1781224.7	21093190	6064	Reformed economic value-added	

To examine the impact of knowledge management implementation on each of the dependent variables (i.e. earnings, earnings growth rate, free cash flows, earnings per share, return rate of assets, return rate of investments, return rate of equity, price to earnings ratio, market value to book value ratio of share, Tobin Q ratio, market value-added, economic value-added, and reformed economic value-added), the relationship between a technical knowledge variable and each of the above dependent variables was evaluated using a simple linear regression model.
Given that there is just one independent variable in regression models of the study, the significance of the relationship between independent and dependent variable only shows model significance in general and vice versa, so there is no need for f-test. Regarding Kolmogrov- Esmirinov (K-S) test, best judgments will be with using first type error (%5) (confidence level %95). However, given that the sample size is more than 30 cases, data will be considered normal at confidence level of %99.
Before evaluating the regression model (hypothesis testing), basic regression presumptions must be examined among which is the normality of data distribution conducted using K-S test. Inter alia, for the sake of variables distribution objectivity, P-P diagram is applied for evaluating the normalization of variables; in the diagram, the closer the points to 45° line, the closer the data distribution to a normal distribution. Here, there is no need to examine the co-linearity between independent variables in the model, since there is just one independent variable.
The results of dependent variables normalization test, Watson distance test, and normalization test of residues of these models all will be reported after hypothesis testing. However, since technical knowledge variable is common among all hypotheses, its normality presumption is tested separately and before other variables. The result of the examination is presented in Table 2.

TABLE 2: EXAMINATION OF TECHNICAL KNOWLEDGE VARIABLE NORMALITY

Normal test	statistic K-S	P-Value
Technical knowledge	3.85	≤0.0001

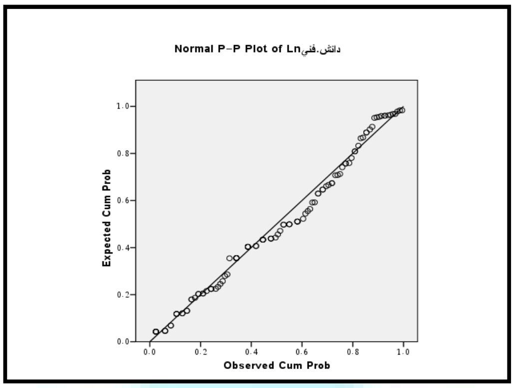
Given that the P-value obtained is less than 0.05, H_0 (independent variable distribution [technical knowledge] follows a normal distribution) is rejected. As a result, it is claimed (with confidence level of %95) that there is a significant relationship between the variable distribution and normal distribution. To convert technical knowledge variable distribution to a normal distribution, its logarithm is calculated and again the normality of the data is tested. The results are represented in Table 3.

TABLE 3: EXAMINATION OF TECHNICAL KNOWLEDGE VARIABLE LOGARITHM NORMALITY

Normal test	statistic K-S	P-Value
Technical knowledge	0.94	0.34

Given that the P-value obtained is less than 0.05, H_0 (independent variable logarithm distribution [technical knowledge] follows a normal distribution) is not rejected. As a result, it cannot be claimed that there is a significant relationship between the variable distribution and normal distribution.
Figure 1 illustrates P-P diagram for examining technical knowledge variable logarithm distribution normality.

FIGURE 1: P-P DIAGRAM FOR TECHNICAL KNOWLEDGE VARIABLE LOGARITHM



Small distance between the points and the 45° line confirms K-S test result and shows trivial deviance of data distribution from the normal distribution. Now, new variable can be used in evaluating regression models required for hypothesis testing.

HYPOTHESES TESTING

The research hypotheses examine the relationship between knowledge management implementation and financial performance of companies using 14 economic and accounting indices. As a result, it is required to initially test dependent variables normalization. To convert dependent variables distribution to normal distribution, their logarithm is calculated and again data normalization is tested. The results are represented in Table 4.

TABLE 4: EXAMINATION OF DEPENDENT VARIABLES LOGARITHM NORMALIZATION

Normal test	statistic K-S	P-Value
Earnings logarithm	1.28	0.08
Earnings growth rate logarithm	1.65	0.01
Dividend earnings logarithm	1.65	0.01
Free cash flows logarithm	1.28	0.08
Earnings per share logarithm	1.34	0.06
Return rate of the assets logarithm	0.70	0.71
Return rate of investments logarithm	1.02	0.25
Return rate of equity logarithm	1.11	0.17
Price to earnings ratio logarithm	0.73	0.66
Market value to book value ratio of share logarithm	0.87	0.43
Tobin Q ratio logarithm	0.67	0.76
Market value-added logarithm	1.24	0.09
Economic value-added logarithm	0.63	0.83
Reformed economic value-added logarithm	0.63	0.83

Now, it is claimed (with %95 of confidence) that there is a linear significant relationship between technical knowledge variable and independent variables logarithm.

EXAMINATION OF AUTOCORRELATION OF DATA

Durbin-Watson statistic equals 2.02 indicating that it is larger than 1.56 the data does not have autocorrelation problem.

ASSESSMENT OF RESIDUES NORMALIZATION

At the end, normalization of regression model residues distribution must be reassured the result of which is represented in Table 5.

TABLE 5: ASSESSMENT OF NORMALIZATION OF REGRESSION MODEL RESIDUES

Normal test	statistic K-S	P-Value
Earnings regression model residues	0.69	0.73
Earnings growth rate regression model residues	1.65	0.01
Dividend earnings regression model residues	1.00	0.27
Free cash flows regression model residues	1.34	0.06
Earnings per share regression model residues	0.90	0.40
Return rate of the assets regression model residues	0.70	0.71
Return rate of investments regression model residues	1.02	0.25
Return rate of equity regression model residues	1.11	0.17
Price to earnings ratio regression model residues	1.01	0.26
Market value to book value ratio of share regression model residues	1.52	0.02
Tobin Q ratio regression model residues	0.70	0.72
Market value-added regression model residues	0.74	0.64
Economic value-added regression model residues	0.80	0.54
Reformed economic value-added regression model residues	0.83	0.49

Regression models of these 14 variables are as follow(1-!4):

Earnings = 8.06 + 0.51× LN (technical knowledge) + ε (1

Growth rate of earnings = 0.17 + 0.17× LN (technical knowledge) + ε (2

Dividend earnings = 915.24 + 56.23× LN (technical knowledge) + ε (3

Free cash flows = 6.99 + 0.53× LN (technical knowledge) + ε (4

Earnings per share = 1189.55 + 67.03× LN (technical knowledge) + ε (5
Return rate of the assets = 2.43 + 0.29× LN (technical knowledge) + ε (6
Return rate of investments = 0.79 + 0.45× LN (technical knowledge) + ε (7
Return rate of equity = 3.45 + 0.24× LN (technical knowledge) + ε (8
Price to earnings ratio = 2.49 + -0.11× LN (technical knowledge) + ε (9
Market value to book value ratio of share = 1.79 + -0.15× LN (technical knowledge) + ε (10
Tobin Q ratio = 2.49 + -0.11× LN (technical knowledge) + ε (11
Market value-added = 20.97 + 0.51× LN (technical knowledge) + ε (12
Economic value-added = 10.8 + 0.4× LN (technical knowledge) + (13
Reformed economic value-added = 9.10 + 0.50× LN (technical knowledge) + ε (14

TABLE 6- REGRESSION COEFFICIENTS (SINGLE-VARIANT)

Durbin - Watson	Correlation coefficient	Modified Determinant coefficient	Determinant coefficient	)P-Value(	t Statistic	standard coefficients	Non-standard coefficients		Independent variable	Dependent variables log
							Estimation error	frequency		
2.02	0.55	0.30	0.31	1≤0.000	14.42	-	0.56	8.06	Model constant	Earnings
				1≤0.000	6.93	0.55	0.07	0.51	Technical knowledge log	
2.04	0.13	0.01	0.02	0.34	0.95	-	0.17	0.17	Model constant	Earnings growth rate
				0.19	1.33	0.13	0.02	0.03	Technical knowledge log	
1.59	0.24	0.05	0.06	1≤0.000	5.47	-	167.39	915.24	Model constant	Dividend earnings
				0.01	-2.55	-0.24	22.07	-56.23	Technical knowledge log	
1.92	0.54	0.29	0.29	1≤0.000	11.62	-	0.60	6.99	Model constant	Free cash flows
				1≤0.000	6.68	0.54	0.08	0.53	Technical knowledge log	
1.61	0.27	0.07	0.07	1≤0.000	6.90	-	172.44	1189.55	Model constant	Earnings per share
				1≤0.000	-2.95	-0.27	22.74	-67.03	Technical knowledge log	
1.84	0.04	-0.01	0.00	1≤0.000	8.27	-	0.29	2.43	Model constant	Return rate of the assets
				0.66	-0.44	-0.04	0.04	-0.02	Technical knowledge log	
2.01	0.01	-0.01	0.00	0.08	1.75	-	0.45	0.79	Model constant	Return rate of investments
				0.90	-0.13	-0.01	0.06	-0.01	Technical knowledge log	
1.68	0.04	-0.01	0.00	1≤0.000	14.09	-	0.24	3.45	Model constant	Return rate of equity
				0.69	-0.41	-0.04	0.03	-0.01	Technical knowledge log	
1.54	0.38	0.14	0.15	1≤0.000	12.85	-	0.19	2.49	Model constant	Price to earnings ratio
				1≤0.000	-4.26	-0.38	0.03	-0.11	Technical knowledge log	
1.52	0.47	0.21	0.22	1≤0.000	8.47	-	0.21	1.79	Model constant	Market value to book value ratio of share
				1≤0.000	-5.52	-0.47	0.03	-0.15	Technical knowledge log	
1.52	0.38	0.14	0.14	1≤0.000	26.89	-	0.23	6.20	Model constant	Tobin Q ratio
				1≤0.000	-4.27	-0.38	0.03	-0.13	Technical knowledge log	
2.45	0.27	0.06	0.07	1≤0.000	15.61	-	1.34	20.97	Model constant	Market value-added
				0.01	2.86	0.27	0.18	0.51	Technical knowledge log	
2.55	0.44	0.19	0.19	1≤0.000	20.6	-	0.5	10.8	Model constant	Economic value-added
				1≤0.000	5.1	0.4	0.1	0.4	Technical knowledge log	
2.47	0.60	0.36	0.36	1≤0.000	18.60	-	0.49	9.10	Model constant	Reformed economic value-added
				1≤0.000	7.82	0.60	0.06	0.50	Technical knowledge log	

DISCUSSION AND CONCLUSION

The purpose of this study was to examine the impact of knowledge management implementation on financial performance of accepted companies in Tehran Stock Exchange during 2005-2009. Two hypotheses were considered in this study. In order to examine the performance of companies, accounting and economic criteria were employed each of which has a specific index and the researcher conducted hypothesis testing procedure using single-variant regression model. The logic beneath using single-variant regression model is that the researcher tested knowledge management variable by just one accounting or economic index for each hypothesis. In order to examine the impact of knowledge management on companies' financial performance, following variables were used as determinants of the companies' financial performance: Earnings, Growth rate of earnings, Dividend earnings, Free cash flows, Earnings per share, Return rate of the assets, Return rate of investment, Return rate of equity, Price to earnings ratio, Market value to book value ratio of share, Tobin Q ratio, Market value-added, Economic value-added and Reformed economic value-added, and the impact of knowledge management implementation on financial performance of companies is tested through examining respective variables. First, dependent variables normalization was tested using K-S statistic test and it was determined that data does not follow normal distribution, and given that they were not normal, variables logarithm was used and then variables dispersion diagram was drawn and test result demonstrated that there is a linear significant relationship between technical knowledge and fourteen dependent variables. At the end, regarding the importance of all intangible assets, it is suggested to companies' managers that evaluate these types of assets accurately and represent them in financial statements. Given that intangible assets can affect companies' performance, companies' manager are recommended to take great care in disclosing them in accordance with standards. In addition, investors, stockbrokers and financial analyzers are suggested to pay close attention to the value of these types of assets and their impacts on companies' performance when purchasing companies' stock.

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