UNIVERSITI PUTRA MALAYSIA

RELATIONSHIP AMONG ORGANIZATIONAL FACTORS , KNOWLEDGE MANAGEMENT PROCESSES, ORGANIZATIONAL INNOVATION, AND ORGANIZATIONAL PERFORMANCE IN IRANIAN PUBLIC BANKS

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By

MOJTABA NAGHAVI

Thesis Submitted to the Graduate School of Management Universiti Putra Malaysia, in Fulfilment of the Requirement for the Degree of Doctor of Philosophy

January 2012

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DEDICATION

This thesis is dedicated to:

My Family:

My late parents, My Wife, and My Children

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Abstract of thesis presented to the Senate of Universiti Putra Malaysia in fulfilment of the requirement for the degree of Doctor of Philosophy

RELATIONSHIP AMONG ORGANIZATIONAL FACTORS , KNOWLEDGE MANAGEMENT PROCESSES, ORGANIZATIONAL INNOVATION, AND ORGANIZATIONAL PERFORMANCE IN IRANIAN PUBLIC BANKS

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January 2012

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The purpose of this study was to examine the relationship among major variables that include organizational factors (OFs), Knowledge Management processes (KMP), organizational innovation (INO), and organizational performance (PER) in the public banks in Iran. In addition, the roles of KMP and INO as mediators were investigated.

Seven research questions and 28 hypotheses were examined. The unit of analysis was the supervisory department of the Iranian public banks' branches. A questionnaire was used as the main instrument in gathering data, and a total of 229 respondents were involved in the survey. As an analytical method, Structural Equation Modeling (SEM) was selected using Amos 16.0 version.

Result of the SEM analysis revealed that; a) Variables leadership, collaboration, centralization, training, and IT support of the OFs have significant relationships with

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KMP. b) Variables leadership, incentives, formalization and IT support of the OFs have significant relationships with INO. c) There is a significant positive relationship between KMP and PER. d) There is a significant positive relationship between KMP and INO. e) There is a significant positive relationship between INO and PER. f) KMP partially mediates the relationship between variables leadership and IT support of the OFs with INO. g) INO partially mediates the relationship between KMP and PER. The findings of the structural model analyses also determine that 61% of the variance in the KMP is explained by the joint influences of the OFs predictors, 49% of the variance in the INO is accounted by the joint influences of the predictors of OFs and KMP. In addition, 73% of the variance in the PER is accounted by the joint influences of the predictors of OFs, KMP and INO. The result of overall structural model showed that the IT support variable of the OFs had the highest contribution toward the prediction of organizational performance and this is followed by the leadership and collaboration variables respectively.

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Abstrak tesis ini dibentangkan pada Senat Universiti Putra Malaysia sebagai memenuhi syarat untuk Falsafah Kedoktoran (PhD) di Sekolah Pengajian Siswazah Pengurusan

HUBUNGAN ANTARA FAKTOR ORGANISASI, PROSES PENGURUSAN PENGETAHUAN, INOVASI ORGANISASI, DAN PRESTASI ORGANISASI DALAM BANK AWAM IRAN

OLEH

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Januari 2012

Pengerusi: Prof. ZainalAbidinMohamad, PhD

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Tujuan kajian ini ialah untuk melihat hubungan antara variabel major yang penting termasuk faktor organisasi (OFs), Proses Pengurusan Pengetahuan (KMP), inovasi organisasi (INO), dan prestasi organisasi (PER) dalam bank awam di Iran.Di samping itu kajian ini juga menyiasat peranan KMP dan INO sebagai pengantara.

.

Tujuh soalan kajian dan 28 hipotesis yang berkaitan dengannya telah dikaji. Unit analisis terdiri daripada jabatan penyeliaan cawangan bank awam di Iran. Satu set soal selidik telah digunakan sebagai instrumen utama untuk pengumpulan data, dan seramai 229 responden terlibat dalam kajian ini. Kajian menggunakan analisis, Kaedah Structural Equation Modeling (SEM) versi Amos 16.0.

Keputusan analisis SEM menunjukkan bahawa a) Variabel kepimpinan, kerjasama, kelompok berpusat, latihan, dan bantuan IT teknologi OFs mempunyai hubungan yang signifikan dengan KMP. b) Variabel kepimpinan, insentif, formal dan bantuan IT terhadap OFs mempunyai hubungan yang signifikan dengan INO. c) KMP dan PER

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mempunyai hubungan signifikan yang positif. d) KMP dan INO mempunyai hubungan signifikan yang positif. e) INO dan PER mempunyai hubungan signifikan yang positif. f) Sebahagian KMP menjadi pengantara hubungan antara variabel kepimpinan dan bantuan IT terhadap OFs serta INO. g) INO menjadi pengantara sebahagian hubungan KMP dan PER. Dapatan kajian hasil daripada analisis model structural analyses jelas menunjukkan bahawa 61% daripada varian dalam KMP adalah pengaruh bersama terhadap andaian OFs, 49% varian dalam INO diambil kira sebagai pengaruh bersama faktor OFs dan KMP. Di samping itu,73% daripada varian dalam PER diambil kira sebagai pengaruh bersama andaian OFs, KMP dan INO. Secara keseluruhannya hasil kajian model structural analyses menunjukkan bahawa variabel bantuan IT bagi OFs merupakan penyumbang tertinggi terhadap andaian prestasi organisasi dan diikuti oleh variabel kepimpinan dan kerjasama.

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I certify that an Examination Committee met on 5nd June, 2012 to conduct the final examination of **Mojtaba Naghavi Senjani** on his **Doctor of Philosophy** thesis entitled **"Relationship among Organizational Factors, Knowledge Management Processes, Organizational Innovation, and Organizational Performance in the Iranian Public Banks"** in accordance with Universities and University Colleges Act 1971 and the Constitution of the Universiti Putra Malaysia [P.U. (A) 106] 15 March 2008. The Committee recommends that the student be awarded the Doctor of Philosophy degree. Members of the Examination Committee are as follows:

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DECLARATION

I herby declare that the thesis is based on my original work except for quotations and citations, which have been duly acknowledged. I also declare that it has not been previously or concurrently submitted for any other degree at Universiti Putra Malaysia or any other institutions.

MOJTABA NAGHAVI SENJANI

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TABLE OF CONTENTS

DEDICATION **ii**

ABSTRACT **ii**

ABSTRAK **iii**

DECLARATION **ix**

LIST OF TABLES **xv**

LIST OF FIGURES **xvii**

LIST OF APPENDICES **xix**

LIST OF ABBREVIATIONS **xx**

1 INTRODUCTION **1**

1.1 Background of the Study 1

1.2 Focal Point of the Study 6

1.2.1 The role of the Banking System in Economic Development 6

1.2.2 The important role of public banks in the Iranian banking system 7

1.3 Problem Statement 8

1.4 Research Objectives 12

1.5 Research Questions 13

1.6 Significance of the Study 14

1.6.1 Theoretical contributions 14

1.6.2 Practical contributions 16

1.6.3 Policy making contributions 16

1.7 Definitions of Terms and Concepts 16

1.7.1 Organizational factors 17

1.7.2 KM Processes 18

1.7.3 Organizational Innovation 19

1.7.4 Organizational performance 19

1.8 Chapter Summary 20

2 LITERATURE REVIEW **21**

2.1 Knowledge and Knowledge Management 21

2.1.1 Definitions of Knowledge 21

2.1.1 Classification of Knowledge 25

2.1.2 Definitions of KM 27

2.2 KM in public sector 31

2.2.1 Comparing KM in the public and private sectors 33

2.2.2 KM in the public sector of Iran 38

2.3 KM in banking system 40

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2.4 Major Variables of the Research 43
2.4.1 Organizational factors 43
2.4.2 Organizational Leadership 50
2.4.3 Organizational culture 52
2.4.3.1 Collaboration 53
2.4.3.2 Trust 54
2.4.3.3 Incentives 56
2.4.4 Organizational Structure 56
2.4.4.1 Centralization 58
2.4.4.2 Formalization 59
2.4.5 People (Training) 60
2.4.6 Information Technology (IT) 63
2.4.7 KM Processes 65
2.4.7.1 Knowledge creation 69
2.4.7.2 Knowledge storing 71
2.4.7.3 Knowledge sharing 73
2.4.7.4 Knowledge application (utilization) 76
2.4.8 KM Intermediate Outcomes 77
2.4.9 Organizational performance 79
2.5 External Environmental Factors 83
2.6 Relationship among Major Variables of the Research 84
2.6.1 Relationships between organizational factors and KM processes 84
2.6.2 Relationships between organizational factors and organizational innovation 87
2.6.3 Relationships between KM processes and organizational performance 88
2.6.4 Relationships between KM processes and organizational innovation 90
2.6.5 Relationships between organizational innovation and organizational performance 92
2.7 Synthesis of the Relationships among Major Variables of the Research 94
2.8 Chapter Summary 98
3 RESEARCH FRAMEWORK AND HYPOTHESES DEVELOPMENT 99
3.1 Relevant Theories (Theoretical Background) 99
3.1.1 System Thinking Theory 100
3.1.2 Social Capital Theory 100
3.1.3 Input-Process-Output Model 102

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3.1.4 Theoretical Framework 103
3.2 Hypotheses 106
3.2.1 The relationship between organizational factors and KM processes 106
3.2.2 The relationship between organizational factors and organizational innovation 116
3.2.3 The relationships between KM processes and organizational performance 121
3.2.4 The relationship between KM processes and organizational innovation 122
3.2.5 The relationship between organizational innovation and organizational performance 123
3.2.6 The mediation role of KM processes between organizational factors and organizational innovation 124
3.2.7 The mediation role of organizational innovation between KM processes and organizational performance 126
3.3 Chapter Summary 130
4 RESEARCH METHODOLOGY 131
4.1 Research Design 131
4.1.1 Details of the Study 133
4.1.1.1 The Purpose of the Study 133
4.1.1.2 Types of Investigation 134
4.1.1.3 Extent of Researcher Interference 134
4.1.1.4 Study Setting 135
4.1.1.5 The Time Horizon 135
4.1.2 Population and Sampling 136
4.1.3 Measurement and Measures 139
4.1.4 Reliability and Validity of Instrument 141
4.1.4.1 Pilot study 145
4.1.4.2 The questionnaire translation procedure 146
4.1.4.3 The final construct of questionnaire 147
4.1.5 Data collection method 147
4.1.6 Data analysis method 148
4.2 Hypotheses Testing Method 149
4.2.1 Structural Equation Modeling (SEM) 149
4.2.2 Confirmatory Factor Analysis (CFA) 152
4.2.2.1 First-order and second-order CFA Method 152
4.2.2.2 Parcelling Method 153
4.2.3 Testing for Mediation 156

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4.3 Exploratory Data Analysis (EDA) 159
4.3.1 Assessment of Normality 159
4.3.2 Test of Multicollinearity 161
4.4 Checking of Outliers 163
4.5 Chapter Summary 164
5 RESEARCH RESULTS 165
5.1 Profile of Respondents 165
5.2 Confirmatory Factors Analysis (CFA), Measurement and Structural model 167
5.2.1 CFA of the Constructs Variables 169
5.2.1.1 CFA for Leadership (LED) 170
5.2.1.2 CFA for Collaboration (COL) 175
5.2.1.3 CFA for Trust (TRS) 177
5.2.1.4 CFA for Incentives (INC) 178
5.2.1.5 CFA for Centralization (CEN) 178
5.2.1.6 CFA for Formalization (FOR) 180
5.2.1.7 CFA for Training (TRA) 182
5.2.1.8 CFA for IT support (ITS) 182
5.2.1.9 CFA for KM Processes (KMP) 184
5.2.1.10 CFA for Innovation (INO) 189
5.2.1.11 CFA for Organizational Performance (PER) 192
5.2.2 Evaluation of the Measurement Model 195
5.2.3 Evaluation of the Structural Model 202
5.2.1 Examining the Path Coefficient 205
5.3 Hypotheses Testing 206
5.3.1 Research Question (a) 206
5.3.2 Research Question (b) 207
5.3.3 Research Question (c) 208
5.3.4 Research Question (d) 209
5.3.5 Research Question (e) 209
5.3.6 Research Question (f) 210
5.3.7 Research Question (g) 221
5.4 Total Effect 224
5.5 Discussion 226
5.5.1 Relationships between organizational factors and KM processes 226
5.5.2 Relationships between organizational factors and organizational innovation 229

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5.5.3 Relationships between KM processes and organizational performance 231
5.5.4 Relationships between KM processes and organizational innovation 232
5.5.5 Relationships between organizational innovation and organizational performance 233
5.5.6 The mediating role of KM processes between organizational factors and organizational innovation 233
5.5.7 The mediating role of organizational innovation between KM processes and organizational performance 235
5.6 Chapter Summery 237
6 CONCLUSIONS 238
6.1 Summary of the Research 238
6.2 Implications 241
6.2.1 Theoretical implications 241
6.2.2 Managerial implications 243
6.3 Limitations and Recommendations 249
REFERENCES 251
APPENDICES 272

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