



Investigating The Appropriate Structure for The Use and Development of Intra-Organizational Knowledge in Banks (Case Study: Eqtesad Novin Bank)

* Seyed Abdullah Sajjadi 

** Reza Mahdian 

*** Yasoub El-Din Ajami 

* Assistant Professor, Department of Media Management, Islamic Azad University, Tehran Science and Research Branch, Tehran, Iran. asadjady@yahoo.com

** Director of Supervision and Customer Affairs Department, Shahr Bank, Tehran, Iran. reza.mahdian2008@yahoo.com

*** PhD Student, Technology Management, Islamic Azad University, Dehaqan Branch, Isfahan, Iran. omid_ajami@yahoo.com

Received: 08.06.2024

Accepted: 02.12.2024

Abstract

The present study was conducted with the aim of investigating the appropriate structure for the use and expansion of intra-organizational knowledge in banks (case study: Eqtesad Novin Bank). This study is considered a descriptive-correlational research in terms of data collection and is applied in terms of purpose. The statistical population of this study includes 1376 employees of Eqtesad Novin Bank of Iran, from which a sample of 285 people was selected using the Morgan table. The data collection tool and questionnaire were researcher-made, which was used to compile the questionnaire by reviewing and studying several questionnaires and similar research that had been conducted previously. The validity of this questionnaire was confirmed by the face method according to the opinions of professors and experts in this field and then by the factor analysis method, and was used to measure the reliability of Cronbach's alpha. Smart PLS software was used to analyze and interpret the data. The results of the study show that the organizational structure and its characteristics have a direct impact on the use and expansion of intra-organizational knowledge in banks. The results also showed that components such as formality and focus, team-orientedness, team rewards, adaptability, formal and knowledge positions, scientific associations and networks, and flexibility and boundary-breaking are effective in the use and expansion of intra-organizational knowledge in banks.

Keywords: Organizational Structure, Intra-Organizational Knowledge, Adaptability, Flexibility.

Corresponding Author: Seyed Abdullah Sajjadi- Asadjady@yahoo.com



Introduction

The issues related to knowledge management and its proper application in organizations have raised numerous questions in the minds of scholars in this field. Since one of the most important factors for the success of knowledge management is the existence of an appropriate organizational structure compatible with knowledge management, the issue of an organizational structure compatible with knowledge management that can simultaneously cover business and knowledge management strategies has become doubly important.

Organizational structure can encourage or hinder the success of the knowledge creation process. In order for organizations to be able to manage knowledge effectively, they must have an appropriate structure. The degree of concentration, formality, the way information flows between units, the status of the organization's confidential documents, etc. are important structural factors whose status and characteristics directly affect the creation, transfer, storage, and application of knowledge in the organization. Today, organizational structure has become a vital factor in the success of the organization's knowledge creation process. Although traditional hierarchical structures enable the transfer of knowledge through the chain of command, they prevent the transfer of knowledge at the horizontal level of the organization and between functional units.

That is why, from the perspective of experts, creating an appropriate and flexible organizational structure with few hierarchical levels and communication is considered a prerequisite for the success of the knowledge creation process in organizations. The widespread changes in the knowledge-based economy and the need for organizations to adapt to these developments have led to the development of structures in which the processes of creating, preserving, transferring, and applying knowledge can easily take place. These structures differ from traditional structures in various aspects. The root of these differences can be sought in their different goals, because the former seeks control and freedom from uncertainty, and the latter seeks flexibility, creativity, and knowledge creation. In addition, the former operates in a static and stable environment, while the latter operates in a more turbulent and unstable context. Therefore, effective knowledge management in an organization requires that its structure has certain characteristics.

Theoretical foundation

Knowledge management is one of the newest and most key management topics. In fact, knowledge management is considered a response to the increasing changes in the environment surrounding current institutions. Change in management practices is necessary and inevitable. All types of businesses need to effectively implement a knowledge management strategy in order to survive and develop themselves and adapt to changes in the competitive environment (Ramalou Marquez et al., 2019).

Cho (2015) defined strategic knowledge management as a framework for applying structures and processes at the individual, group, and organizational levels so that the organization can learn from what it knows and, if necessary, acquire new knowledge to create value for its customers and stakeholders. Such a management framework integrates people, processes, and technology for sustainable performance development (Cho, 2015). In this regard, a strategic and strategic view of knowledge management is very important (Neely et al., 2018). Many organizations use knowledge management as a key strategy to achieve competitive advantage. Since the early 2000s, knowledge management has become a critical factor in increasing productivity and effectiveness (DeLong and Fahy, 2010). Knowledge management can have important strategic outcomes for organizations, such as improving competitive position, increasing productivity, improving organizational agility, maximizing intellectual capital, increasing customer loyalty, improving organizational innovation, improving operational effectiveness, and increasing company stock value (Hislop et al., 2018).



Therefore, the ability to manage this knowledge has become a very important skill to ensure and support organizational success and maintain survival in the new knowledge-based economy (Singh, 2018).

Research Method

This research is considered a descriptive-correlational research in terms of data collection and is applied in terms of purpose. The statistical population of this research includes 1376 employees of the New Economic Bank of Iran, from which a sample of 285 was selected using the Morgan table. The data collection tool is a researcher-made questionnaire that was used to compile the questionnaire from the review and study of several questionnaires and similar research that had been conducted previously. The aforementioned questionnaire was compiled based on the objectives and hypotheses of the research in the form of 6 dimensions and 36 items and based on an ordinal scale and a five-point Likert spectrum. The validity of this questionnaire was confirmed by the formal method according to the opinions of professors and experts in this field and then by the factor analysis method and was calculated to measure the reliability of Cronbach's alpha. The Cronbach's alpha coefficient shows that the dimensions of the questionnaire have reliability coefficients greater than 0.7, so it can be said that the questionnaire has appropriate validity and reliability. SPSS and Smart PLS software were used to analyze the data.

Research Findings

The research model has been examined and tested using structural equations and a partial least squares approach. Initially, the external model of the research was conducted to examine the factor loadings and, in fact, confirmatory factor analysis of the research constructs.

The results of the confirmatory factor analysis and factor loadings show that the research questions have appropriate validity. Considering that the factor loadings of all questions are greater than 0.4, we conclude that the data collection tools have appropriate construct validity.

Hypothesis Testing

The following is the structural model of the research along with the significant coefficients. This model is used to examine and test the research hypotheses.

The results of the hypothesis testing in Table (1) show that the significance coefficient for team orientation and team rewards in the organization is 6.061, which is outside the range of (+1.96 to -1.96). Based on the P values (less than 5 percent) or T values (greater than 1.96), it can be said with 99% confidence that hypothesis H_0 is rejected and hypothesis H_1 is confirmed. Now we turn to the intensity and direction of the effect, which is determined by the path coefficient or beta. The standardized path coefficient between these two variables shows that the intensity and direction of the effect of team-centeredness and team rewards in the organization on the use and development of knowledge in the New Economy Bank is reported to be 0.204. Considering that the beta is positive and the degree of influence is direct, we conclude that team-centeredness and team rewards in the organization have a positive and significant effect on the use and development of knowledge in the New Economy Bank.

Also, the significance coefficient for the formality-centralization dimensions of the organizational structure is 4.686, which is outside the range of (+1.96 to -1.96). Based on the P values (less than 5 percent) or T (greater than 1.96), it can be said with 99% confidence that the hypothesis H_0 is rejected and the hypothesis H_1 is confirmed. Now we turn to the intensity and direction of the effect, which is determined by the path coefficient or beta. The standardized path coefficient between these two variables shows that the intensity and direction of the effect of the formality-



focus dimensions of the organizational structure on the use and development of knowledge in the New Economy Bank is reported to be 0.295. Considering that the beta is positive and the degree of influence is direct, we conclude that the formality-focus dimensions of the organizational structure have a positive and significant effect on the use and development of knowledge in the New Economy Bank.

For formal and knowledge positions in the organization, the significance coefficient is 4.526, which is outside the range of (+1.96 to -1.96). Based on the values of P (less than 5 percent) or T (greater than 1.96), it can be said with 99% confidence that the hypothesis H_0 is rejected and the hypothesis H_1 is confirmed. Now we turn to the intensity and direction of the effect, which is determined by the path coefficient, or beta. The standardized path coefficient between these two variables shows that the intensity and direction of the effect of formal and knowledge positions in the organization on the use and development of knowledge in the New Economy Bank is reported to be 0.137, which is given that the beta is positive and the degree of influence is direct. Therefore, we conclude that formal and knowledge positions in the organization have a positive and significant effect on the use and development of knowledge in the New Economy Bank.

Discussion and Conclusion

The present study sought to investigate the appropriate structure for the use and expansion of intra-organizational knowledge in banks (case study: Eqtesad Novin Bank), in which the results show that organizational structure plays an important role in the use and expansion of intra-organizational knowledge. The results also indicate that the structural dimensions of the organization, such as formality and focus, are influential on the use and expansion of intra-organizational knowledge. Organizations that are run by the government certainly have a very different structure than private organizations, and focus and formality are much higher in these organizations, which is a reason for the role of this component in the development of knowledge in the organization. Very formal and centralized structures prevent the development and expansion of knowledge to all parts of the organization and have created very formal and inflexible communication channels for it that employees are not very willing to use. This result is in line with the results of research by Ahmadi et al. (1401), Shariatnia and Gweili (2018), and Akbari and Moradi (2015).

Refrence:

- 1.Ahmadi Razieh, Sahraei Shaghayegh, Saheb Tahereh. (1401), "Ranking the Effective Dimensions of Knowledge Management on the Adoption of Digital Banking in the Banking Industry (Case Study: Parsian Bank)", Organizational Resource Management Research, Volume 12, Issue 4, Pages 11-27.
- 2.Ahmadi, Farid. Tarzadeh, Hojjat. Ahmadi, Soheila (2019), "Presenting a Model for Customer Knowledge Management in Post Bank of Iran", Business Reviews, Issue 96, August and September 2019.
- 3.Khairandish, Mehdi. (2014), "Investigating the Challenges and Obstacles of Implementing Knowledge Management in Shahid Sattari Aviation University, Shahid Sattari Aviation University, Tehran.
- 4.Shariatnia, Akbar. Davodnia, Davud. Gweili Kilaneh, Elham (2018), "Investigating the Effect of Organizational Structure Dimensions on Effectiveness: The Role of Knowledge Management", Perspectives on Public Administration, Volume 12, Issue 64.



5. Safa, Ruhollah; Razavizadeh, Ali (2017), "Investigating the Effect of Organizational Structure on Knowledge Creation in the Iranian Army Officers' Universities", *Quarterly Journal of Human Resources Studies*, Year 6, Issue 25, Fall 2017, pp. 1-30.
6. Tabatabaifar, Seyed Mohammad. Ahmadi, Habib and Qeysari, Alireza (2017), "Investigating the Effect of Virtualizing the Organizational Structure on Knowledge Management of Employees of the Export Development Bank of Iran", *Third International Conference on Management, Accounting and Knowledge-Based Economics with Emphasis on Resistance Economy*, Tehran, <https://civilica.com/doc/693556>
7. Fateminasb, Seyed Ezzatollah; Latifi, Meysam (2019). "Investigating the Relationship between Organizational Structure and Knowledge Sharing in the Iranian News Agency (IRNA)", *Strategic Management Studies of National Defense*, Volume 3, Issue 10, September 2019, pp. 34-7.
8. Mohammad Esmail, Sedighe; Hamidi, Fatemeh (2001). Knowledge Flow Model in the Banking Industry. *Organizational Knowledge Management*, 4(12), 123-153.
9. Mohammadi Fateh, Asghar; Mehdi, Mohammad; and Salarnejad, Ali Asghar (2002), "Knowledge Management in the Banking and Financial Industry: The Contribution of Technologies of the Fourth Industrial Revolution", *Executive Management Research Journal*, Volume 14, Issue 27, pp. 546-517.
10. Mohammadi Pour, Rahmatullah; Hossein Beigi, Sobhan (2016), "Identifying Factors Affecting the Implementation of Knowledge Management in the Organization (A Case Study in Maskan Bank)", *International Conference on Management Studies*, June 12, 2016.
11. Giudici, A., Reinmoeller, P., & Ravasi, D. (2018). Open-system orchestration as a relational source of sensing capabilities: Evidence from a venture association. *Academy of Management Journal*, 61(4), 1369–1402. <https://doi.org/10.5465/amj.2015.0573>
12. Helmold, M. (2021). *New Work, transformational and virtual leadership*. Springer. doi: 10.1007/978-3-030-63315-8.
13. Hussain, N., Rigoni, U., & Cavezzali, E. (2018). Does it pay to be sustainable? Looking inside the black box of the relationship between sustainability performance and financial performance. *Corporate Social Responsibility and Environmental Management*, 25(6), 1198–1211. <https://doi.org/10.1002/csr.1631>
14. Rese, A., Kopplin, C. S., & Nielebock, C. (2020). Factors influencing members' knowledge sharing and creative performance in coworking spaces. *Journal of Knowledge Management*, 24(9), 2327–2354. <https://doi.org/10.1108/JKM-04-2020-0243>
15. Ritala, P., Husted, K., Olander, H., & Michailova, S. (2018). External knowledge sharing and radical innovation: The downsides of uncontrolled openness. *Journal of Knowledge Management*, 22(5), 1104–1123. <https://doi.org/10.1108/JKM-05-2017-0172>
16. Khosravi, A. and Hussin, A., (2018), "Customer knowledge management antecedent factors: A systematic literature review", *Knowledge and Process Management*, Vol.25, Issue1.

