

# Explaining the Excellence Model of Knowledge Management of Pasargad Bank in Khuzestan Province

Leila Partabian<sup>1</sup> and Mohammadreza Hamidizade<sup>2</sup>

<sup>1</sup>Department of Management, Yasouj Branch, Islamic Azad University, Yasouj, Iran  
Department of Management, Kohkiluyeh and Boyerahmad Science and Research Branch,  
Islamic Azad University, Yasouj, Iran

<sup>2</sup>Department of Management, Shahid Beheshti University, Tehran, Iran

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## ABSTRACT

The main problem in this research is to explaining Excellence Model of Knowledge management based of Knowledge-based economy to determine the Excellence Model of Knowledge management of Pasargard Bank of Khuzestan province with the settlement purpose. Since the assessment model has five variables. Assessing the variable's situation shows the accessing to the purposes of knowledge management. The main objective of this study is to investigate the excellence of knowledge management on the performance of managers and staffs in Pasargard bank of Khuzestan province. After reviewing the research literature and studies and discussions about excellence model of knowledge management, they prepare questionnaire by using library resources and internal and external articles and websites to test the hypothesis of this study. After measuring reliability and validity, the questionnaires were distributed and after completing by respondents, they collected their questionnaires. Collected data were analyzed through statistical methods. Based on obtained results of statistical analysis, they test the hypothesis and finally, according to the results of hypothesis tests, conclusions and recommendations of the study are presented. In investigating the relation between central capabilities and knowledge acquisition, dissemination publication, knowledge production and capability tests, there is a significant relation between research's variables.

**KEYWORDS:** Knowledge management, knowledge production, knowledge publication and dissemination, knowledge acquisition.

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## 1. INTRODUCTION

Today, knowledge and intellectual capital of organizations are considered as one of the main advantages of competition. And we can say that knowledge is the heart of the global economy. But, more organizations and companies are aware of knowledge power but few numbers of them have dramatic changes about the ability of knowledge efficient management and controlling it along with organizations. Rapid environment changes increases the amount of complexity and ambiguity and it has faced the organization's management with serious challenges. In such circumstances, using old paradigm and commanding and controlling focus on specialization and performance and it is led to create multi sectional organizations and it is not remedial [9]. Today, all experts in the field of management and higher education experts have focused on two main questions:

- 1-what is the knowledge about organizational concept?
- 2-How it can be optimally exploited?

In answer to the first question, we should say that knowledge is one of the fundamental factors and its successful application helps the universities to provide new services. And it is based on knowledge that universities and higher education institutions are able to protect the competitive advantages and their academic excellence [12]. The purpose of knowledge management in organizations is to identify and leverage the collective knowledge to achieve its strategic objectives and help to organizations to compete in the world and stay in it [11]. The main problem in this research is to explain how to determine the excellence model of knowledge management based on knowledge-based economy model to determine the excellence model of knowledge management in Pasargard bank of Khuzestan province to reach their settlement objectives. Since the assessment model has five variable, assessing the variable's situation indicates the achievement to the objectives of knowledge management.

## RESEARCH LITERATURE

### Knowledge Management

-according to Newman, knowledge management is a set of processes that include realization, dissemination of subjective knowledge in an organization. Knowledge management is a structured and designed approach for creation management,

sharing, collection and knowledge dissemination as an asset of organization to improve the ability, speed and effectiveness of an organization in service delivery and its products for the customer’s profit and it is based on its commercial strategy.

-Knowledge management process

Nevis, Di Bella and Gold (1995) divided the knowledge management activities into three stages:

Knowledge acquisition, knowledge sharing and knowledge application. These processes are key factors in a successful organization [10].

**A) Knowledge accumulation**

As Gupta and Gavin (2000) have stated knowledge accumulation consisted of creation, acquisition and maintenance of knowledge. Basically, knowledge creation points to the interaction between explicit knowledge and tacit knowledge instead of separate activity between knowledge and explicit knowledge [8]. Through this interaction, innovations and organizational knowledge is created. Through discovery the new and useful ideas and solutions, the organization have developed new concepts or it substitute the old concepts within the tacit and explicit knowledge base. Also, organizations achieve the knowledge through personal learning, searching internal and external environment and recruitment of new staffs or purchasing organizations with essential knowledge from external sources [8]. Knowledge maintenance as the last step of knowledge accumulation include all activities that maintain knowledge and allow them to enter to system at once and remain in it and it refers to waste minimization of specific knowledge [6].

**B) Knowledge sharing**

Knowledge sharing, information sharing include all suggestions and elaborate judgment of the employees in the organization. This exchange can happen both in informal shape in places such as hall and in formal shape in meeting, seminars and presentations. When the possessed knowledge of an organization is considered to be a source, can lead to competitive advantage, management wishes to exploits from employees’ knowledge through knowledge sharing for its own interests. Processes determine the organizational learning, that knowledge is shared through knowledge. The knowledge must flow seamlessly across organization, and an organization can use the knowledge assets [2]. This can only be achieved when people are motivated to acquire and share knowledge and transform the knowledge that they gain. Therefore, organizations should extremely stimulate them, instead of encourage the staffs to share their knowledge. There are factors that influence on knowledge sharing and transferring in an organization and they are dependent to the stimulants such as sharing, tacit knowledge, resource ability for sharing and the ability of recipients to accept knowledge [1].

**C) Knowledge application**

Knowledge application is the effective use of knowledge. If the recipient is aware of knowledge, he/she recognize the acquired knowledge. And he/she is free to use it, knowledge can be applied. Organizational knowledge is sent between sender and recipient, it is necessary to be integrated by products, processes and services. The ability of the recipient to accept the knowledge is one of the determining factors that investigate that knowledge sharing is successful. And this is no way means that knowledge recipients apply the received knowledge. The recipient is committed to knowledge when recipient acquire the overall ownership of applied knowledge. In these cases, he uses the received the knowledge to develop the new product or processes by using a decision. One of the barriers of knowledge application is this fact that the other’s knowledge is seen with suspicion. As the people has negative or positive attitude to share their knowledge, potential recipients may have attitude to knowledge that they have received. Factors such as the ability of the recipient to collect applied knowledge and familiarity with the shared knowledge may influence on ability and willingness to understand and accept the provided knowledge [2].

**Knowledge and Capabilities**

The primary focus of knowledge management is based on supportive capabilities from human creativity and innovation cycle that are crystallized among integrated processes and suitable technologies. By investigating the theoretical framework of knowledge management, we can found that its basic them refers to social, coexistence and convergence activities. This type of activity is based on synergy in the goals, methods and benefits. Social activities with coexistence and integration capability are the key element in achieving the knowledge-based innovation strategy. And it has places the common understanding, access to work and other’s views [5][7].

**Table 1.** Central competencies of business and knowledge management solutions [4][10][3].

Capability description	Knowledge Management Solutions		
<b>innovation</b>	Industry type, major skills	Quick product’s arena and advanced services and high-tech, critical technology, Research, characteristics of products and services, design, production, support systems, the management intellectual property	<ul style="list-style-type: none"> <li>• Extensive data entry of business</li> <li>• Data Mining</li> <li>• Competitive intelligence software and business</li> <li>• Knowledge repositories</li> <li>• Managing network-based economic enterprise</li> </ul>
<b>Skill</b>	Type of industry	Providing the services based on skills, tact and insight	<ul style="list-style-type: none"> <li>• Cases of best methods (optimal methods)</li> </ul>
	Major skills	Professional services Skills refine, sharing ideas and experiences, intellectual asset management	<ul style="list-style-type: none"> <li>• Extensive data entry of business</li> <li>• Web-based enterprise management</li> <li>• E-learning and training through a</li> </ul>

			network
<b>Context</b>	Type of industry	Valuable tacit knowledge, entertainment, tourism and development and management publishing on creative skills, managing intellectual properties	<ul style="list-style-type: none"> <li>• Search Engine</li> <li>• Business information extensive entry</li> <li>• Managing the Web-based economic enterprise</li> </ul>
	Major skills		
<b>Communication</b>	Type of industry	Attracting and maintaining the customer's loyalty, shareholders, employees, suppliers, retailers, professional service sales, customer service, product range and services	<ul style="list-style-type: none"> <li>• Work Processes</li> <li>• Cases of best practices (optimal method)</li> <li>• Competitive and business intelligence software</li> <li>• Managing Web-based enterprise</li> </ul>
	Major Skills		
<b>Introducing commercial sign</b>	Type of industry	Creating recognition and promoting retailers tacit knowledge value, sales traditional products, marketing and advertising, scheduling the products and services	<ul style="list-style-type: none"> <li>• Competitive intelligence software and business</li> <li>• Business information spreadsheets</li> <li>• Managing web-based economic enterprise</li> </ul>
	Major skills		
<b>Coordination</b>	The type of industry	Awareness about doing works, transportation, manufacturing plants, productive units and gathering best information at the time	<ul style="list-style-type: none"> <li>• Work processes</li> <li>• Data mining sites</li> <li>• Web-based economic enterprise management</li> <li>• E-learning and training through a network</li> </ul>
	Major skills		

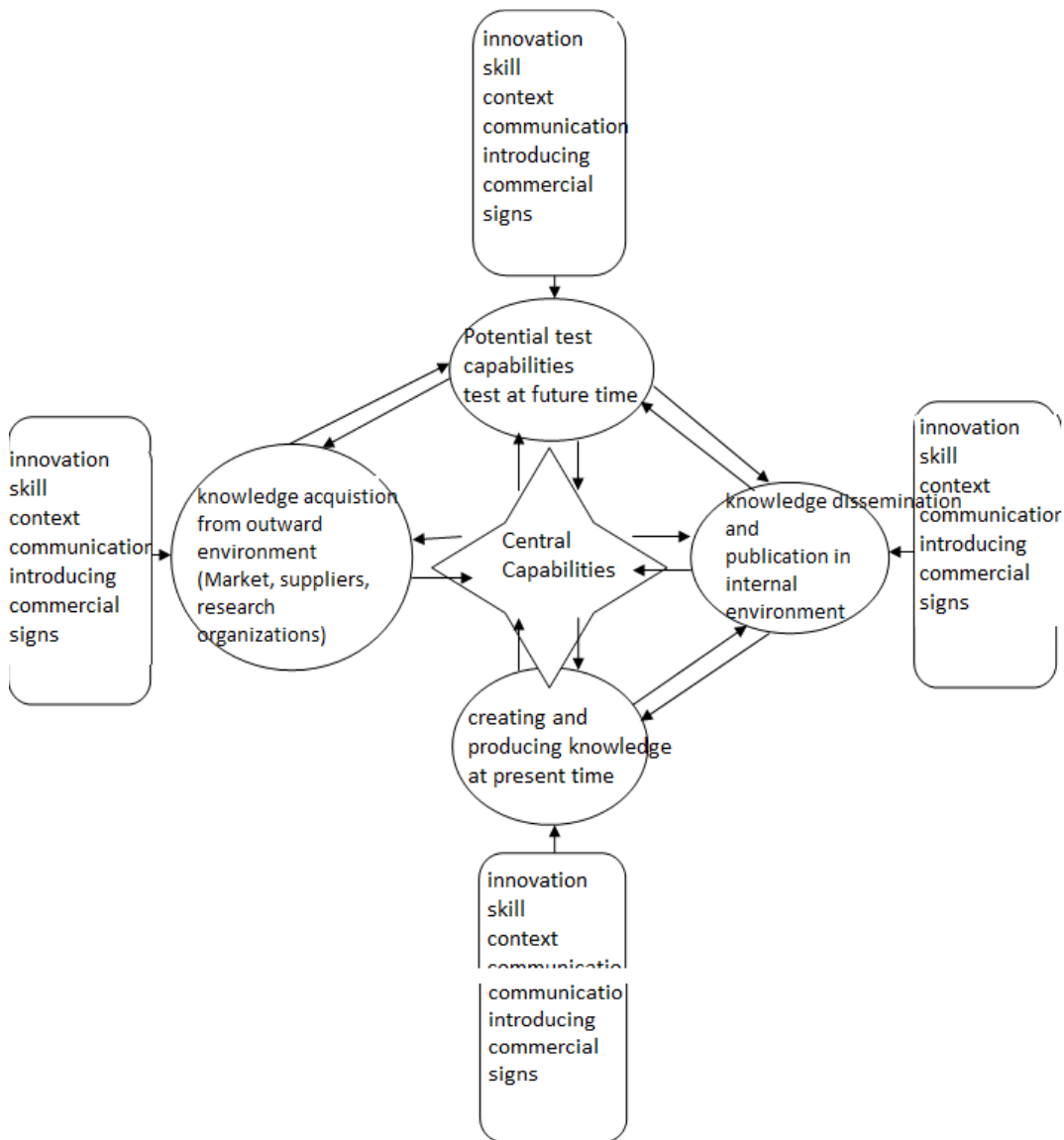


Fig. 1. Research Conceptual model

### Hypothesis

Hypothesis 1: Central bank's ability has a significant relation with knowledge acquisition in the external environment.

Hypothesis 2: the Central Bank's ability has a significant relation with internal dissemination.

Hypothesis 3: The central Bank's ability has a significant relation with production in knowledge creation in the present.

Hypothesis 4: the central bank's ability has a significant relation with potential case capabilities at the future time.

## MATERIALS AND METHODS

In this research, it is tried that research design leads to a true causal relation between dependent and independent variables. To achieve this goal, the condition of correlation is considered between dependent and independent variables and appropriate research controls. From the objective view, this research is application and from the nature view and data collection method, it is a descriptive method. The research method is descriptive and survey. The statistical population of the research is a complete set of men and women postgraduate experts from Pasargard bank of Khuzestan. And they have diploma, higher diploma, bachelor's, Master's degree. And they are active in different units of Pasargard bank's branches around all Khuzestan provinces at the year of 2014. The sample size is determined as 220 patients. For data collection, the questionnaire of Doctor Moqimi (2012) was used. For measuring the reliability of the present questionnaire, the Cronbach's alpha method and Coder-Richardson-cooder method were used. For statistical analysis, the methods such as Pearson correlation matrix was used and between all variables, Kolmogorov-Smirnov multiple linear regression analysis method was used by helping the SPSS and Amos Graphics software.

### Data Analysis

#### Distribution Normality of research model's data

In this section, to analysis the normality of research indexes, Kolmogorov-Smirnov test is used. The results of this analysis are presented in table (2).

**Table 2.**Normality Evaluation of research indicators

Index name	Test statistic	Significant level	Normality/abnormality
Knowledge production	0.258	0.256	Normal
Knowledge dissemination	0.148	0.489	Normal
Knowledge acquisition	0.895	0.125	Normal
Capabilities	0.745	0.214	Normal

### Hypothesis statistical Test

**Table 3.**Acceptable values for fitting the model's parameters

Index	Acceptable value
GFI	GFI>90%
AGFI	AGFI>90%
CFI	0.90<CFI<1
CMIN/df	The value lower than 3
RMSEA	RMSEA<0.08

According to table (3), if the calculated values for evaluated parameters are in acceptable limit, the model fitting is confirmed and in other case, the model should be re-evaluated. And disruptive factor of model fitting can be identified or removed or added. Finally, after the final confirmation of model and by using the analysis of path analysis between research variables is investigated. In this section, structure model related with research variable's dimensions are presented in the below form:

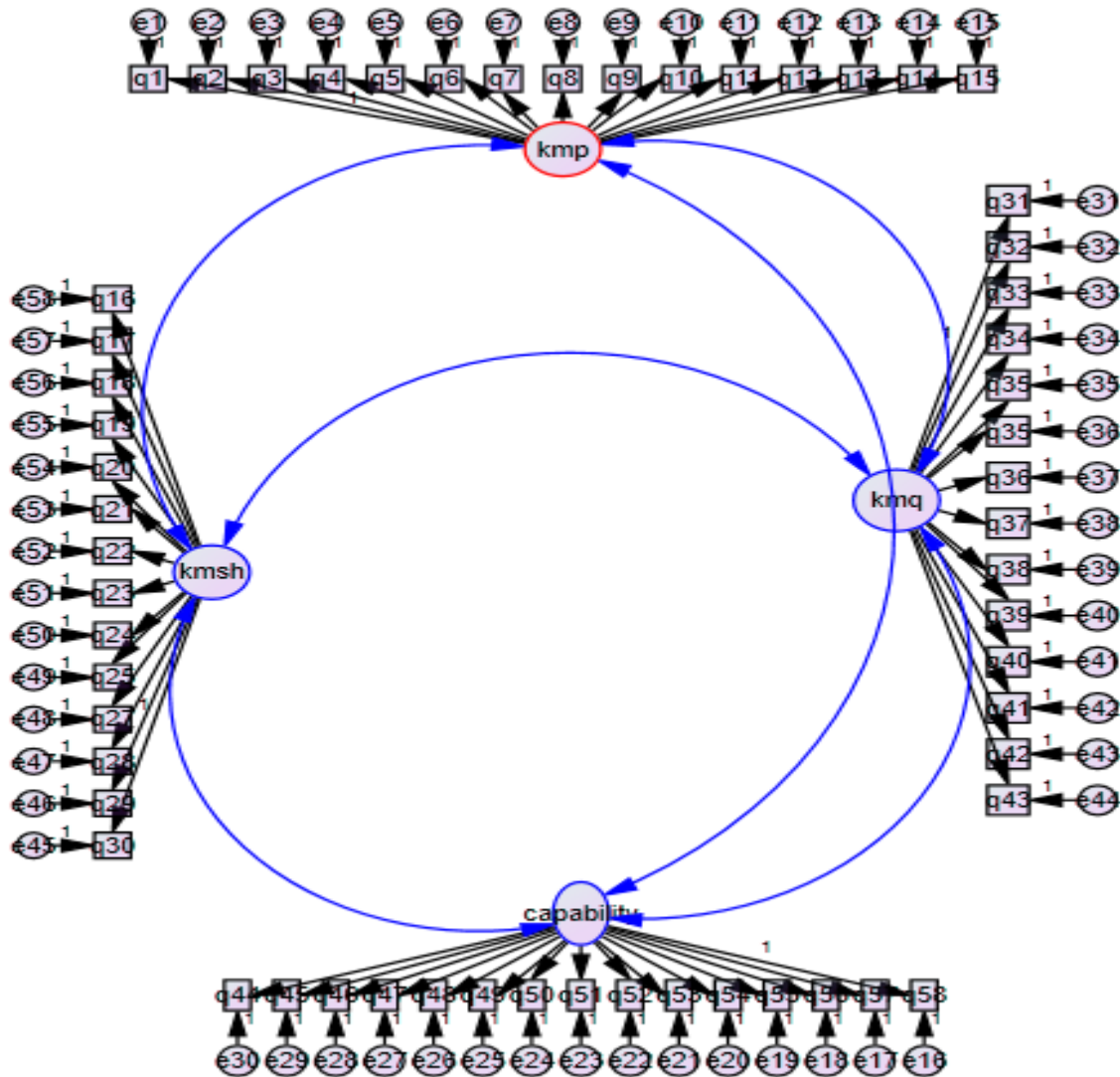


Fig. 2.structural model

In the following table, the fitting indexes of analysis confirmation factor model of research have been reviewed.

Table 4.Goodness of fit measures of structural model confirmation model

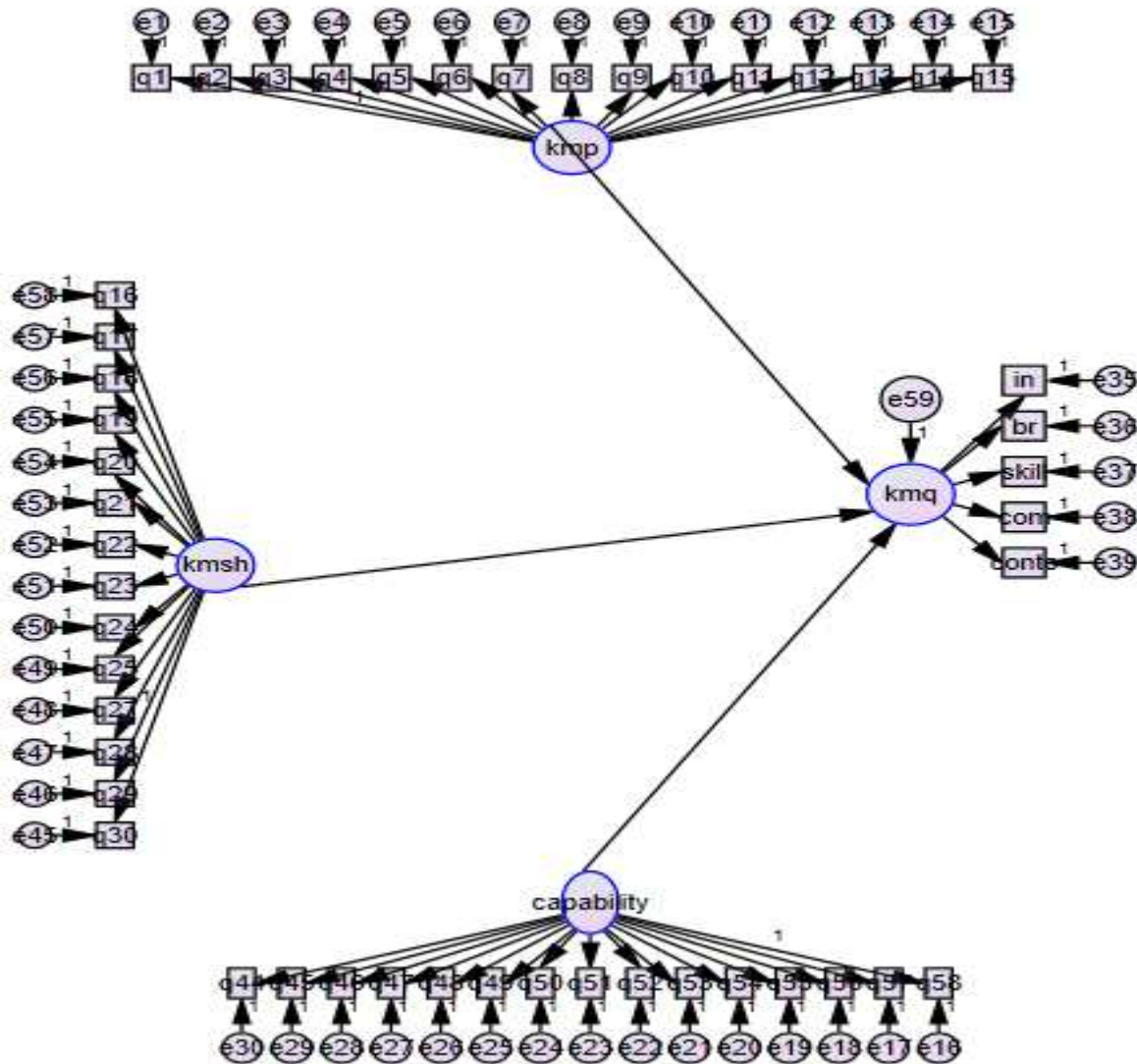
index	Obtained value	Acceptable value	Situation
GFI	0.901	GFI>90%	Accepted
CFI	0.923	0.90<CFI<1	accepted
CMIN/df	1.23	The value lower than 3	accepted
RMSEA	0.042	RMSEA<0.08	Accepted

According to above table, all examined parameters are accepted to assess the model fitting of confirmatory factor. According to this issue, we can say that this model fitness is confirmed. As it can be seen in this table, the amount 0.901, GFI is estimated and it is more than 0.9. This means that relative value of variance and covariance are investigated jointly in an appropriate level. Also, the index amount of CFI is calculated to 0.923 and this index is greater than 0.9 and this means that development amount with desired suggested model is an appropriate level by comparing an independent model that there is no relation between its variables. Finally, the amount of chi-square on freedom degree was calculated to 1.23. The standard amount of this value is 3 and lower than that. This means that desired model is in coordination with diffraction pattern that is observed between variables. Finally, the root mean square approximation is calculated with 0.042 or RMSEA. And it is less than 0.08 and thus it can be calculated that model fitting can be investigated at the appropriate level.



**Structural equation Model**

After review and approval of measurement model, research model is plotted and relation between hidden variables is examined (which are in fact the research hypotheses). In this case, first we ensures from the parameters fitting. And then we investigate the assumed relation between latent variables.



**Fig. 3.** The model of research structural equation

In the following, we investigated the indexes of model fitting.

**Table 5.**goodness measures of model fitting of structural model confirmation

index	Obtained value	Accepted value	Situation
GFI	0.897	GFI>90%	accepted
CFI	0.912	0.90<CFI<1	Accepted
CMIN/df	1.83	The amount lower than 3	accepted
RMSEA	0.087	RMSEA<0.08	Accepted

According to the above table, all examined parameters are accepted to assess the confirmatory factor model. According to this issue, we can say that the fitness of this model is confirmed. As it can be seen in this table, the amount of GFI is equal to 0.897. and it is more than the 0.9 standard. This means that relative amount of variance and covariance is jointly assessed at the appropriate level. Also, the amount of CFI is calculated to 0.912 that this index is more than 0.9 value. It means that the development value is obtained though comparing an independent model that there is no relation between them. With the proposed model, it is on proper level. Finally, the amount of chi-square on freedom degree is calculated to 1.83. the standard

value of this variable is 3 and less than that. This means that desired model is in accordance with diffraction pattern between observed variables. Finally, the root mean square approximation or RMSEA is calculated with the amount of 0.087. and it is lower than 0.08 and so we can say that model fitness can be evaluated in an appropriate level. In the following table, the value of regression coefficient that indicates the effectiveness amounts of components on each other. And the significantly of these coefficients is summarized.

**Table 6.**regression coefficients of research components ( hypothesis test)

Hypothesis	Component's effect	Regression coefficient	Significant number	result
1	Central capability	0.42	1.99	Confirmed
2	Central capability	0.23	2.56	Confirmed
3	Central capability	0.84	2.14	Confirmed
4	Central capability	0.12	3.25	Confirmed

**Investigation the situation of research indexes**

**Table 7.**Investigating the relation management with customers

the name of variable	Test's statistic	df	Average	Low limit	High limit
Knowledge production	3.98	137	3.59	0.148	0.248
Knowledge dissemination	2.68	137	3.25	0.185	0.245
Knowledge acquisition	3.24	137	3.48	0.325	0.425
Capabilities	4.54	137	3.47	3.248	0.485

**According to the above table:**

In the knowledge production variable, according to the above table, test statistic is calculated to 3.98 which is more than 1.96, so the average amount of this index is not at the average level. Also, according to this issue that upper and lower limit of this value is positive. So, it can be concluded that the situation of this index is at high level than average. This issue is also evident according to its average index value that is calculated to 3.59. In the knowledge dissemination variable, according to the above table, the test statistic is calculated to 2.68. and it is more than 1.96, so the average of this index is not at average level. Also, according to this issue that upper and lower limit value of this index value is positive, this fact is confirmed. Therefore, we can say that the situation of this index in an upper level than average. This fact is also evident because the index average is 3.25. According to above table, in the knowledge acquisition variable, test statistic is calculated 3.24. and it is more than the measure of 1.96, so the average of this index is not at average level. So, the upper and lower limit of this index is positive. So, we can say that the situation of this index is in higher level than average. This issue is also evident according to this fact that index average is calculated to 3.48. In ability variable, according to above table, test statistic is calculated to 4.54 and it is greater than 1.96, so the average of this index is not at average level. Also, due to this fact that upper and lower limit of this index is positive, so we can say that the situation of this index is in an upper level than average. This issue is also evident, because the average index is 3.47.

**Conclusion**

In this section, to investigate the relation between research's variables, structural equation modeling is used. The analysis results of this method are described in the following. By investigating the relation between central capabilities and knowledge acquisition, the calculated regression coefficient is 0.42. and this amount is on average level. Also, the calculated test statistic is 1.99 and it indicates the significant relation between research's variables. By investigating the relation between central capabilities and specific knowledge dissemination, the regression coefficient value is 0.23. and this amount is on moderate level. Also, the calculated test statistic is 2.56. It shows a significant relation between research's variables. By investigating the relation between central capabilities and knowledge production, the calculated regression coefficient was 0.84. and this is higher than average value. Also, the amount of test statistic is 2.14. It indicates the significant relation between research variables. It indicates a significance relation between research variables. This value is on higher value than average. Also, the test statistic is 3.25 that indicate a significant relation between research variables.

**Research suggestions**

- the results of this research show that there is a significant relation between central capabilities and the components of knowledge management. So, it is recommended that the following cases be implemented in an organization.
- developing the capabilities of human resources in the field of knowledge management by increasing motivational factors
- using specialized software for registration and maintenance of organizational knowledge
- using cultural factors in encouraging all members of an organization for knowledge transferring
- Creating the probability to develop creativity and innovation in an organization according to the development needs of new products
- attention to advertisement and providing promotional consulting designs in the field of Company brand improvement through customer awareness

In this field, for correct establishment of knowledge management, the following suggestions are offered:

-using appropriate control systems for pre-controllers during activity and feedback after conducting organizational process can be helpful in evaluating the value of knowledge management establishment in studied organization.

-applying a strategy aligned with organizational strategies can be effective to promote the objectives of knowledge management. In this field, it is recommended to emphasis on the role of knowledge management in determining long-term and annual strategies. Also, in determining the knowledge management strategies, considering the organizational strategies can lead to strategic alignment in an organization.

-it is necessary to review all operational procedures of an organization and investigate the knowledge management in all these procedures and the strengths and weakness points of all these procedures can be identified.

-in the field of organizational climate, it is necessary to implement the organizational culture and climates in accordance with knowledge management. In this field, the culture of information disseminate can be done by organizational management and leadership in all levels. Correct using of information technology and knowledge management system in online form can be effective to accelerating the knowledge management process and record ideas in an organization.

-by continuing professional education, we can increase the necessary ground works for creating innovation and creativity among employees. In this field, it is necessary to training the staffs based on organizational requirements.

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