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PROPOSING A MODEL FOR STUDYING THE EFFECT OF ORGANIZATIONAL LEARNING AND ORGANIZATIONAL PERFORMANCE ON INNOVATION IN BANKING INDUSTRY OF IRAN

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Prof. Jafar Mohammadi Faraz,
Allameh Tabatabai University, *department of management, development and evolution, Tehran, Iran*

PhD. Taghi Banaye Shahani,
Industrial management Institute, *knowledge management, Tehran, Iran. taghi.shahani@gmail.com*

Naser Safaie,
University of Technology,
Nasser Safaie Assistant Professor of K. N. Toosi, Iran, Tehran

Resumen: El objetivo de este estudio es proponer un modelo para estudiar el efecto del aprendizaje organizacional y el desempeño organizacional sobre la innovación en la industria bancaria de Irán. El método utilizado en la investigación es descriptivo de supervivencia y se realiza mediante la investigación de campo. La población estadística son todos los gerentes, jefes, subdirectores, expertos y personal de los bancos privados de Teherán. Según la tabla de Morgan, 126 personas han sido seleccionadas como muestra y al final se han obtenido 126 cuestionarios. Los cuestionarios se analizaron mediante muestreo estratificado aleatorio. La herramienta de investigación fue el cuestionario académico. 30 personas de expertos, el supervisor y el asesor han verificado y confirmado la validez de los cuestionarios con contenido facetado y su estabilidad fue del 93%, contado por el alfa de Chronbache que muestra un buen nivel de estabilidad. La estadística descriptiva (frecuencia, desviación estándar y media) y la estadística inferencial (prueba de bartlett, análisis de factor de confirmación, modelado de ecuaciones estructurales) se utilizan aprovechando el software de Amos. Los resultados de la investigación muestran que existe una relación positiva entre todos los factores del aprendizaje organizacional, la innovación y el desempeño organizacional en la industria bancaria de Irán.

Palabras clave: aprendizaje organizacional, innovación, desempeño organizacional, industria bancaria, cambios cognitivo-conductuales, cultura de aprendizaje organizacional, cultura innovadora.

Abstract: The goal of this study is to propose a model for studying the effect of organizational learning and organizational performance on innovation in banking industry of Iran. The method used in the research is descriptive-survey method and is done by field research. The statistical population are all the managers, bosses, deputy directors, experts and staffs of the private banks of Tehran. According to Morgan table, 126 person have been chosed as sample and at the end 126 questionnaire were gained. The questionnaires were analyzed by random-stratified sampling. The research tool was the scholar's questionnaire. 30 persons of experts, the supervisor and the advisor have verified and confirmed the faceted content- related validity of the questionnaires and their stability were 93%, counted by Chronbache's alpha that shows a good level of stability. Descriptive statistics (frequency, standard deviation and mean) and inferential statistics (bartlett test, confirmatory factor analysis, structural equations modeling) are used by profiting Amos software. Research findings show that there is a positive relationship between all the factors of the organizational learning, innovation and organizational performance in banking industry of Iran.

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Keywords: organizational learning, innovation, organizational performance, banking industry, cognitive behavioral changes, organizational learning culture, innovative culture.

1. INTRODUCTION

At the beginning of 3rd millennium and 300 years after the industrial revolution, the working field of manufacturing firms have been in many industries and the national and regional markets are getting merged in global industrial banking. Today's world, specially the organization's world is exposed to a great and undergoing change; all the dimensions of organizations like the internal and external environment, human and non-human factors are changing continuously. (Gorelick, 2015) In this condition, the organizations try to survive in their tumultuous surrounding and endeavor to be dynamic and try to develop learning and form learning organizations. (Adair, 2012) In an organization with a high level of organizational learning, employees try to achieve their desired results by increasing continuously their ability. Organizational learning help new and divers mental patterns grow and also the employees get to know how to learn in group. The organizations with such features, receive the signes from their surroundings, interpret them and profit from them at the right time by encouraging innovation, schooling and developing the abilities. (Vera & Crossan, 2011) The etymon of the word "learning" is "leis" ; an Indo-European word that means plugged and pursue. Learning means development of abilities by an experiment gained by perseverance. It occurs over time and during the real life. Controlling this kind of learning is so difficult but results in a stable production and helps the learner to have an effective reaction while facing different situations. Most of the people who are engaged in marketing believe that learning is the same as training. They think that learning is waste and has no relation with the marketing results. They think that learning is getting information by studying or participating in a speech. This type of thinking is the result of the school's passive learnings. The lexical meaning of "training" is "to navigate something" and "controlling". But the origin of "learning" "leis"; an Indo-European word that means plugged and pursue. Learning means development of abilities by an experiment gained by perseverance. It occurs over time and during the real life. Controlling this kind of learning is so difficult but results in a stable production and helps the learner to have an effective reaction while facing different situations. All the organizations learn. It means that they adapt themselves with the changing world around them. But some of them learn faster and more effective. The important point is to not to separate learning from daily work. But training is for a limited time

and is separated from where its results will take place. (Khelghati and Hayati, 2014)

In today's inappropriate world, adapting with the environment and competitiveness is necessary for each organization to continue to its activities. (Liao& et al, 2011) Increase of the competition, change and unreliability of the environment, force the organizations to profit the innovation as a strategy. (Keskin, 2015) Furthermore, the increase of the competition, decrease of product's life cycle and need for the product's success caused the big enterprises and the banks consider the organizational learning as an effective factor in innovation. Innovation is a competitive advantage but it can just be affective when it has been used to provide the market needs. In fact, organizational learning is a basis for innovation. For better description of organizational learning we can say learning is a dynamic concept that converts gradually from individual learning to organizational learning. It has gotten so current because of the organizations' needs to accord with environmental changes. As learning is important for the growth of people, it's important for the organizations too. Although it's more beneficial than individual learning ability. (Ouksel & Vyhmeister, 2010)

Nowadays the big organizations that were formed in past decades are not efficient. They're like dinosaurs that were not able to adapt themselves with the environment and were overthrown. Big enterprises with traditional structure are not flexible enough and can't assist the environmental changes especially because of globalization and for survival, they have to change their structure or provide the tools by which they can compete global changes. One of the most important tools is to generate a learning organization and institutionalization of organizational learning. Therefore the organizations that learn faster and better than their opponents are more successful. Because of this, the organizational learning and learning organizations concepts are proposed in recent years and have a growing process. Instead of traditional behavior and activities that contained training in their best situation, the organizations convert into an organization that learns constantly; it means that they try to learn and consider it as a competitive profit.

There are few researches that have studied this subject in banking industry in Iran. Verifying this subject can result in innovation, performance augmentation, competitive advantage and reducing the costs. . Cyert and March (1963) have invented organizational learning for the first time. They believed that the organizations look for methods

that help them to be more efficace for answering extern environmental changes to adapt organization's goals to new issues. Organizational learning happens by individuals and groups. Argyris (1999) believe that organizational learning happens when knowledge, believes and datas are shared between team members. . Probst and Bucher (1997) describe organizational learning as the ability of an organization in finding mistakes, modifying them and change the organization's knowledge and values in a way that new skills for solving problems and new capacities in work can be produced. (Davies, 2012)

Although organizational learning is a concept that found many fans in a short time, still there is no operational definition for it that has a public acceptation. Primary researches in this field have tried to verify apparent differences between academic circles that are studying the meaning of organizational learning and the way it can be performed Writing articles about organizational learning concept in the past decades were generally prescriptive and by benefiting used sample. For example we can see Peter Senge's (1990) fundamental work that contains five principles of organizational learning (team learning, common goal, mental model, individual abilities and system thinking). Other researchers have concentrated on giving operational ideas for generating learning organizations to propose solutions to managers so that they will be able to prepare a convinient environment for innovative thinking.

Knowledge management is related to generation and development of knowledge wealth of an organization with the goal of surpassing the organization's purposes. It requires the activities related to detection, share and knowledge production. It needs some systems like keeping knowledge resources, knowledge development and facilities and organizational learning. (Yazdani & Sa'edi, 2009: 86) According to Peter Drucker (1999: 9), successful organizations have more scientist personnels and benefit from them for defeating competitive and changeable environment of marketing. Certainly there exist obstacles for achieving an effective and successful management of knowledge. Considering physics, Liao describes knowledge inertia as one of these Obstacles that can restrict organizations' capacity in learning and finding solutions. Using stagnant resources of knowledge and past abandoned experiences results in employing identical solutions and points of view while facing problems and causes that the manager's behavior becomes predictable. This can cause the vulnerability of the organization. Not only the knowledge inertia has a negative effect on knowledge usage, but also it can reveal the organization's secrets and strategies. In other words, the organizations that are inactive and stagnant in

thinking and policy making are more exposed to defeat and disservice. (Liao & et al, 2011: 384) Knowledge interia has negative influences on the organization and its performance. Without updating and revision of past experiences and knowledge, the organization's activities will be predictable. Therefore, knowledge interia is an obstacle for innovation, change and flexibility and menaces the organization's survival in competitive environment. (Collinson & Wilson, 2010: 1361)

2. SIGNIFICANCE AND NECESSITY OF RESEARCH

Today's world is changing non-stop. The status of markets is not stable because of political and legislative situations. The changes that happened trough technology have increased the communication speed and force the organizations to verify and answer the customer's needs. They do this by producing goods and providing services for customers. The better the organization find out hidden and apparent needs of customers, the more successful it can be in innovation and surpass the opponents. One of the most necessary and important factors for achieving the success, is the relation between organizational learning, organizational performance and innovation considering the role of organizational learning in recognition of hidden and apparent needs of customers and to gain useful information from these findings for increasing organizational knowledge about the customers' and employees' satisfaction, introduction of successful innovations, achieving competitive advantage and ideal performance in private banking. Today, organizations emphasize on innovation more than before to be able to survive in competition field for ideal performance and surpass their opponents. The importance is that idea formation starts from the markets and the gained information distributes between the sectors. So, it results in sectors' improvement in developing innovation and helps the distribution of ideas in sectors, solving problems and innovative answers to them. (Cheng and Krumwiede, 2012)

In banking industry that is face to a competitive and agitated environment, finding and emphasizing on factors that effect on innovation, improvement of organizational performance and facilitate it, seems to be important. Although proposing a model for evaluating organizational learning and emphasizing on innovation in banking industry of Iran is an important point, the researchers didn't pay enough attention it and there is no research about organizational performance in Iran. Learning organizational culture helps the banks to have a convinient tool for innovation according to the

environmental conditions and find strategic solutions for their issues. So presenting a model in this field and show the importance and the influence of organizational learning culture on organizational performance and innovation is necessary. Its results can be useful for the managers of this industry and helped them take strategic decisions, generate competitive advantage, reduce the costs and increase the performance. Additionally it can play an important role in determining the influence of organizational learning on innovation in banking industry of Iran and enrich the literature of these two objects. The purpose of this article is to know the relation between organizational learning, innovation and organizational performance. The main subject is to find out how organizational learning and development of innovative culture can help improving organizational performance.

Innovation is to benefit new ideas by creativity. In fact, using the ideas that are the results of creativity and appear as a product or as a new service is innovation. Invention means to create but innovation is something more than it; it means to originating a new product that is accompanied by invention and presentation. Innovation happens when an idea appears as a product, technology or a service and help the development of technology by changing the organization continuously to achieve its advantages. (Tuchman & O'Reilly, 2009) Innovation and creativity are not the individual's hidden talent, it's the daily activities for establishing the relations that are not saw before and also connecting the issues that are not joined regularly. It helps to benefit from rare occasions consciously and purposefully. Holt had used the "innovation" as a broader concept as a process for using related knowledge or information to introduce new and beneficial objects. He explains that innovation is anything that is reviewed, redesigned and became real and strength the organization against the opponents and causes a long-term competitive precedence that happens once; it's a continuous process containing organizational decision making process in all the steps from the development of a new idea to be applied. New idea refers to get to know the new needs of the customer or a new way of production and develops by gathering information with the entrepreneur point of view. One should pay attention to the decrease in costs and the increase of productivity in the process of conversion of the new idea to a product, process or a service. (Urabe, 1988) innovation plays an important role in economic development and has attracted the attention of many researchers. There are lots of researches in this field. Innovation means the use of ideas or creative things. (Liao & et al, 2011: 185) Organizational innovation is to fabricate products and valuable and available services in the organization. (Johnson, 2008:408) organizational

innovation is signify the interest of an organization for development of new and advanced products and services and presenting them to the market for achieving success. Effective organizational innovation is the key to survive in competitive environment.

Innovation is something appropriate; for institutionalizing it in today's world, we have to prepare its factors and develop it in a suitable process. For this, we need a fundamental change. So the organization should be brought in an axis that learning organizations exist. Learning organizations enforce the factor of innovation inside themselves, so the innovation persist but the usual organizations may not be a learning organization and until they invert to a leading organization, these processes don't occur and the innovation doesn't happen. For this inversion, their hierarchical process, their task orientation, their ideology through work and human and generally their traditional paradigm should be changed. Learning organizations need innovation in their organizational evolution process and it's the most important thing that managers need for orienting, rising and disseminate the innovation and create synergy between them. This way, innovation results in the organization's development.

Nowadays, technological innovation has become the most important motive for achieving competitive success in many industries (banking). Its importance is somewhat because of globalization of the markets. International competition has enforced the banks to generate differential products and services and have innovation continuously. Presentation of new services and products helps the banks to protect their profit margin and also decrease their costs by investigating in the process of innovation. The developments of information technology have an important role in speeding up the innovation in banks. This technology helps the banks to propose various products and services and reduces the time of their production. Motivation for having innovation increases the competitive level for banks and complicated the way to achieve to the success but its total influence on the society has been positive. Innovation caused that a wild range of services have been provided for the people all around the world. The use of innovation models in banking industry is as follow:

Abernathy back model is used in banking industry. Although this model is useful in service sector, there is a fundamental criticism on it. According to this model, all the banking innovations are incremental but it's not correct necessarily. In fact, the development of network technology and distributed system have resulted in radical innovations such as ATM and Internet banking.

Botsaki (1995) had proposed a model for analyzing the innovations that were the result of Information Technology development in banking sector. He believes that mass automation is different from intelligent automation. Mass automation refers to mechanization of administrative works in 1960 that is an incremental innovation. But intelligent automation refers to the development of network technologies such as ATM and radical innovations of the process play role in it.

3. LITERATURE REVIEW AND BACKGROUND OF THE RESEARCH

After studying the article "The effect of organizational learning on innovation in South Korea's enterprises" (Miha et al, 2010), we have developed the framework of past researchers by adding another aspect: organizational performance to explain the relation between organizational learning culture, innovation and organizational performance. Argyris and Schon (1978) believe that organizational learning increases the innovative capacity of the organization. Austana (1978) says that innovation is the result of individual and organizational learning. Gribads and Roger (1999) think that there is a positive relation between organizational learning and organizational innovation. Grives (2005), Alberto and his colleagues (2007) and J and his colleagues (2006) researches show that organizational learning and organizational innovation have a meaningful relation. (Liao & et al, 2011:186)

Past researchers have examined the effect of organizational learning culture in innovation by structural equation modeling. Their researches showed that organizational learning culture has a positive and strong influence on innovation and an indirect and convenient effect on innovative culture.

In global scenario, organizational learning culture and innovation are considered as two valuable tools in strategic management for developing financial performance and organizational Non-financial performance in banking industry (private sector). Considering the studies of other researchers and the addition of another aspect to their researches, there isn't any background for this article.

There are lots of researches about organizational learning and innovation but no researches have done about the subject of this article. There are few empirical studies about organizational learning and organizational performance indexes in Iran. We are going to review the studies done in Iran and in the abroad:

3.1. Researches in Iran

- Hoda Davarzani and colleagues (2010), have done a research entitled "presentation of a model for verifying the volume of organizational learning effect on innovation in panel making manufactures" (member of Iran's panel making association) in Tehran and the results show that organizational learning has a positive effect on innovation and increases its range.
- Ghanbarpour and his colleagues (2012) have a research entitled "The relation between organizational learning culture, learning motivation and the quality of services in selected federations". According to this research results, learning culture can somewhat help the employee to have better service for the organization. A good learning environment encourages the employees to learn and cooperate with the organization for a longer-term.
- The research of Habib pour (2010) title is "The study on the effect of organizational learning culture on organizational commitment and job satisfaction". The findings of the research show that planning constant training programs for the employees adapted with employees' training needs, considering bonus for good performance of collective works and collaboration, institutionalizing learning culture in the organization, etc. are the factors that increase commitment and job satisfaction.
- Adding the aspect of organizational performance to the framework of the researchers' studies, this research is the first study done in Iran about this subject.

3.2. Researches in the abroad

- Asma imran, Qasim Ali Nasir and Samir Ashraf in Pakistan have done a research in 2013 that it's conceptual framework was the framework of past researches: organizational performance and organizational learning methods and they have added another object to this: the relation between learning, innovation and organizational performance. They found out that learning methods have an important role in the augmentation of knowledge and gaining management skills. An efficient environment in the organization helps to form innovative environment. Both learning and innovative culture help in performance improvement and gain competitive advantage.

- Another development model in construction industry that is done by Hua and Anchan in 2014, real property and construction group, Pokfulam, University of Hong Kong is about the relation between organizational learning and innovation due to learning concept. The result of this research shows that organizational learning culture (with the dementions of creating opportunity, relations, cooperation and teamwork, share the knowledge, collective view, communication with the environment, boss's support and bonus system) has an indirect effect on innovation process(business, decision making, attraction, transmission, benefit, affirmation).

3.3. Hypotheses of the research

3.3.1. Main hypotheses:

Is there a positive relationship between organizational learning, innovation and organizational performance in banking industry of Iran?

3.3.2. Sub-hypotheses

1. There is a positive relationship between organizational performance and cognitive-behavioral changes.
2. There is a positive relationship between organizational learning culture and organizational performance.
3. There is a positive relationship between innovation and organizational performance.
4. There is a positive relationship between organizational learning and organizational performance.
5. There is a positive relationship between innovative culture and organizational performance.

3.3.3. Conceptual model

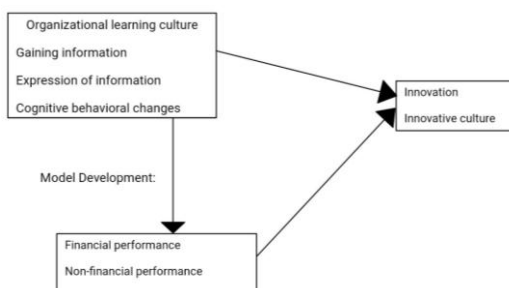


Figure 1. The of main variables of the research

According to the hypotheses above, the conceptual model of the research is designed in Figure 1.

4. RESEARCH METHOD

The goal of the research is to propose a model for studying the effect of organizational learning and organizational performance on innovation in banking industry of Iran. The relationship between the variables from the point of view of the persons who filled out the questionnaires is verified too. So the goal is practical and the method is descriptive, correlated and fundamental; though the survey is done by field work. Because the purpose is to develop fundamental knowledge in a certain field. In this regard the information and data are gathered both by profiting the library and fieldwork (questionnaire) and are analyzed by statistical tests. For verifying the variables, we have used the self made questionnaire and 30 professors confirmed its validity; according to them, the stability of the research was 93%. The basis of the self made questionnaire used in this survey is of research type that contains 40 main questions, 7 questions related to organizational learning variables, 20 questions about innovation and 13 questions related to organizational performance. For this, we have used cognitive behavioral index for measuring organizational learning, for evaluating the innovation, the indexes of innovative products, innovation in processes and innovative culture have been verified and for measuring organizational performance the indexes of customer satisfaction, employees' satisfaction, financial results and Market were studied. 5 questions have also been posed about general information (gender, age, education, work experience in bank and the job title in bank) before main questions. The main questions' answers are analyzed by a five-point Likert item. The statistical population are all the managers, bosses, deputy directors, experts and staffs of the private banks of Tehran. 126 persone were choosed as sample according to Morgan table; the minimum number of sample that is acceptable. The researcher considered 146 questionnaires, about 20 questionnaires more than 126 ones because it was probable that some of them would not be completed correctly. The questionnaires were distributed by random stratified sampling method. All the analysis were done, respecting the data gained from 126 questionnaires.

The goal of the study is to propose a model for studying the effect of organizational learning and organizational performance on innovation in banking industry of Iran. The method used in the research is descriptive-correlated fundamental. In this survey the relation between organizational learning and innovation (independent variable) and

organizational performance (dependant variable) in private banks of Tehran(from managers and staffs) is verified by interpreting and analyzing the variables, through descriptive statistical tests about demographic variables(gender, age, education, work experience in bank and the work experience and job title in bank), tests of mean, standard deviation, variance, variation range, etc. and test of inferential statistics through structural equations modeling. A set of systematic data was gathered by these verifications and a convenient model was prepared. Inferential and descriptive analysis are used in analyzing the questionnaires. Descriptive statistic contains mean and frequency tables and in inferential ones, structural equation model is used that includes confirmatory factor analysis(CFA) and path analysis. Amos, SPSS22 and EXCEL2010 software's are used for analyzing the survey's data.

5. FINDINGS

According to gained data from 126 sample, 87 person were male (69%) and 39 person were female (31%). So the maximum frequency is devoted to males. For variable of age, 10 person (9/7%) were under 30, 48 person(38/1%) were between 30&40, 59 sample (38/1%) were between 40&50 and 9 sample were more than 50 years. The maximum frequency of this variable is for the ages between 40-50 and the minimum is for the age more than 50. For variable of education, 2 person (1/6%) had diploma, 15 person (11/9%) had associate's degree, 55 person (44/4%) had bachelor degree, 49 person (38/9%) had master degree and 4 person (3/2%) had doctorate. Maximum frequency of this variable was for bachelor degree. About the work experience, 11 person (8/7%) had less than 5 years of experience, 48 person (8/1%) between 5-10 years, 51 person between 10-15 years, 8 person (6/3%) between 15-20 years and 8 person had more than 20 years of experience. The maximum frequency is devoted to the samples with work experience between 10-15 years. For variable of job title, 15 person were in executive sector, 30 person (23/8%) in finance, 13 person (10/3%) in IT and communication, 30 person (23/8%) in accounting, 17 person(13/5%) in credit, 21 person (16/7%) in human resource sector. So the maximum frequency is for accounting and finance sectors.

Table 1. Descriptive indexes of the variables

Amounts	Descriptive indexes	
4.064	Mean	Central
4.011	Median	
4	Mode	
6.649	Standard deviation	Dispersion
44.22	Variance	
40	variation range	
79	Minimum	
182	Maximum	
-.233	Inclinationcoefficient	Distributional
.373	Kurtosis coefficient	

Considering the results in table 1, indexes of the descriptive variables in the self made questionnaire, the mean of all the variables is 4.064 that is a good range and their total standard deviation is 6.649.

In the first step, the normality of the dates was verified by Kolmogrov Smirnov test: table 2

Table 2. Normality test for main variables of the research

		Organizational learning	Organizational performance	Innovation
	Number	126	126	126
Normality parameters	Mean	4.026	3.996	4.746
	Standard deviation	41152	62358	73601
Muximum Difference	Absolute value	132	74	66
	Positive	64	58	66
	Negative	132-	-.074	060-
	Kolmogrov Smirnov test	1.724	1.385	1.238
	Significance	0.211	0.281	.327

According to normality test (table 2) and considering the amount of cignificance (SIG) of these test for the variables, they have a normal distribution. As we see in table 2, all the variables have a significance more than 0.5. So the reached data is normal. For verifying the convenience of the indexes for each variable, we have used confirmatory factor analysis (CFA) and the range of organizational learning, innovation and organizational performance indexes have been determined. The relation between these variables have been studied as a macromodel by using structural equation modeling then the conceptual model of goodness indexes have been fitted.

Table 3. Bartlett test for studying the sample adequacy; KMO

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.865
Bartlett's Test of Sphericity	Approx. Chi-Square	245.399
	df	3
	Sig.	.000

Table 3 shows the results of Bartlett test that is an approximate of chi-square. Bartlett test amount is less than 5 % (0.000) that means the factor analysis that is done for finding the structure of factor model is adequate . So the these that the covariance matrix is known, gets cancel. The KMO is near one (0.865) that shows the efficiency of the samples for factor analysis. For ensuring the accuracy of measuring model, we use CfA method for testing this model. models before structural model test. In CFA method, the relation between a set of indexes and factors is verified; at the end, the estimation of factor loading is attended. In fact, the relation between latent variables (observable factors and variables) and items is verified in this analysis. Factor loading shows the covariance of index with the related factor (Houman, 2001, 266). The table below shows confirmatory factor analysis (CFA) for the three factors of conceptual model in the research

Table 4. Confirmatory factor analysis(CFA) for the three factors of conceptual model in the research

R^2	T-VALUE	Factor loading	Questions	Factors
.31	13.14	.714	Item 1 to 7	Organizational learning
.53	13.95	.757	Item 8 to 72	Organizational performance
.41	13.17	.882	item 28 to 40	Innovation

Considering the appropriation of all the Value-added indexes of measuring models and the convenience of factor loadings and significance coefficients gained from the CFA, measuring models of organizational learning, innovation and organizational performance are convenient for being used in structural equations and verifying the relation between latent variables. After getting sure that the measuring models are acceptable, we can do the estimations and the conceptual model test through structural equation modeling. For doing a simultaneous analysis we have used the structural equation modeling method because the goal of the conceptual model of the research is to verify the causal relationship between the three factor of the research. The figures below show the output of Amos software in significance mode.

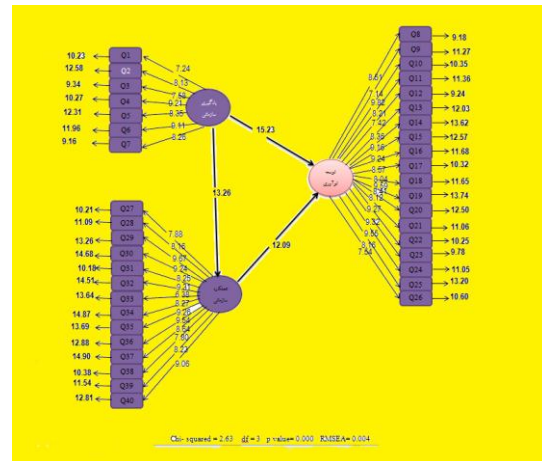


Figure 2. level of relationship of main variables' significance

After composition of the theoretical model of the research, we should estimate the model and test the hypotheses to find out whether the experimental datas support the model or not, and to know that where should we look for the strengths and weaknesses of the model. But before that, when measuring the hidden components be acceptable according to scientific criterions, verifying the structural relation between latent variables will be more logical and meaningful.

Most reliability of the questions for verification of each variable, considering the chart above:

Organizational learning: 3rd question with the effect of 0/84 , organizational performance: 1st question with the effect of 0/82, innovation: 4th question with 0/90 and the most relation between 2 variables, organizational learning and innovation with the value of 0/63.

Total weak fitting index for each measuring model causes the researcher's confusion when analyzing the structural relation between latent variables while using each model in structural equation.

There are different ways for estimating total goodness of fitting, after the determination of the model. Generally for verifying the fitting model, several indexes are used. Table 5 shows the optimized amount of each index and the gained amounts. As we see in the table, all the indexes are compatible that means the fitting model is convenient.

Table 5: vérification of the indexes that show the adequacy of the model

result	the amount of index in the studied model	index standard	value-added index

adequate	2.63	utmost between 2&3	relative chi-square
adequate	0.004	less than (1/0)	RMSE model's Value-added
adequate	0.93	(0/91) more than	AIC goodness of fit
adequate	0.000	less than (0/5)	FMIN goodness of fit
adequate	0.001	less (0/5) than	NCP normal chi-square

6. DEBATE AND CONCLUSION

Considering figure 2, the amount of T statistics between organizational learning and organizational performance variables is 13/26, its amount is 15/23 between variables of organizational learning and innovation and between organizational performance and innovation, the amount of T is 12/09. So the hypothesise that the organizational learning and organizational performance don't effect the innovation in private banking industry is rejected and the purpose of the research shows that the variables of the organizational learning and organizational performance have a positive and meaningful effect on innovation with an endurance level of 99% in private banking industry. In other words, the more the organizational learning and organizational performance increase, the more the innovation develops.

The results of the first Sub-hypothesise (There is a positive relationship between organizational performance and cognitive-behavioral changes.) are similar to the results gained by Asma imran, Qasim Ali Nasir and Samir Ashraf in Pakistan, 2013 and the researches of Gemins and his colleagues (2008). The second Sub-hypothesises (There is a positive relationship between organizational learning culture and organizational performance.) results are similar to the results of Habib pour researches (2000) entitled "*A Study of organizational learning culture's effect on organizational development and job satisfaction*". The 3rd hypothesise's(There is a positive relationship between innovation and organizational performance.) results are alike Hamid Tohidi and Mohammad Mahdi Jabari's researches(2012) in Brazil : *The Effect of organizational learning on innovation*. 4th hypothesise's(There is a positive relationship between organizational learning and organizational performance.) results are the same as the research done by Asma imran, Qasim Ali Nasir and Samir Ashraf in Pakistan; a research that its conceptual framework is organizational performance and the methods of organizational learning. And finally the results of the 5th hypothesise (There is a positive relationship between innovative culture and organizational performance.) are similar to the

researches of Asma imran, Qasim Ali Nasir and Samir Ashraf in Pakistan, 2013 and Hua and Anchan in 2014, real property and construction group, Pokfulam, University of Hong Kong.

For continuing the activities and being successful, each organization needs to be innovative. First of all, the managers should consider 2 important points. First, increasing the competence of their bank by improving their innovative short-term competitive abilities. Second, they should recognize continues conditions (time and place) of the innovations to have a stable success. Considering the research's goal and model, it's clear that organizational learning and organizational performance have a positive effect on innovation in banking industry so we can't ignore it. For describing the organizational learning and organizational performance, we should pay attention to their dimensions such as behavioral and cognitive changes, customer and employees' satisfaction, economic results and market simultaneously. It should be considered that to have a stable innovation, we have to emphasize on the accordance of these 4 dimensions and this accordance in paying attention should be divided conveniently between them. The managers of both private and public banks should pay attention to organizational structure, internal processes and accordance between the sectors as the basic background of forming innovation and organizational performance in banking industry. It's important because the innovation doesn't develop in an isolated environment; but also its necessity is an culture that encourages the innovation and accepts the ideas. In other words, if the bank doesn't use the organization's resources in an optimized and coordinated way, it'll not be expected that cognitive behavioral changes, customer and employees' satisfaction, financial results and market play an effective role in creating and developing the innovation. The main factor in motioning the innovation and organizational performance in banking industry are decreasing organizational concentration and complication, encouragement and motivation of all sectors, valuation of the ideas and finding innovative persons. Self-starter managers should create an environment in which each employee believes that he/she belongs to the organization and find him/herself valuable in his/her work. So he/she will have a high motivation and will believe that the organization's goals are similar to his/hers. Employees' satisfaction should be important for the managers and this doesn't happen except if they find the abilities, motivations and the value of each employee for the organization. It shouldn't be forgotten that satisfaction is a mental concept and it differs from one person to another. Another important subject that plays an important role in creating innovations is to set up think tanks; this can help create and

collect various ideas and the managers can benefit from the gained ideas by verifying them and using available facilities. We should pay a special attention to this because all the banks give similar services to the customers in banking industry and finding a way for being different from other banks is difficult. Think tanks are beneficial for banks from two points of view. First, the participation of the employees that results in their satisfaction and feeling that they're important. Second, the bank benefits its own resources (it's employees), and gains lots of ideas with the least cost. The other point is monitoring the components, this method decreases the costs for innovation and helps to take strategic decisions because the bank will be able to benefit the opponent's innovations in another time, with a little change. Concerning the results of the research and by emphasize on the role of organizational learning as an effective factor in the improvement of employees' performance in private banking industry and also by considering the level of each aspect of experts' organizational learning, one of the most important preconditions for improvement of their performance is to try to improve working knowledge and information of the employees. For achieving this, authorities and policymakers of private banking industry of Iran should pay more attention to employees' learning and propose new creative methods for modifying the structure and organizational performance such as verification of the problems' reasons, facilitating and encouragement of individual, collective and organizational learning and also combining individual and collective goals for achieving the organization's purpose.

7. RESEARCH RESTRICTIONS AND OBSTACLES

Certainly all the researchs have some obstacles and restrictions. Naturally this research had some too that will be mentioned below:

1. Unfamiliarity of the persons who answered the questionnaire with the concepts.
2. Few backgrounds for research in this field in Iran specially in banking industry.
3. Lack of cooperation of some of the employees and staffs for filling the questionnaires because of personal reasons and conservatism.

8. EXECUTIVE SUGGESTIONS

For improving banking system's marketing conditions, some factors should be noted simultaneously: world economy's status, money, capital and banks market and job satisfaction.

These factors always effect national banks. The less important achievement of studying banking industry in countries with similar capital and banking market and political situation is to understand their solutions and responses to employees' needs, customers and employees satisfaction and the way they encounter with world's political conditions and their technological developments. Innovation helps attracting new customers, retention of old customers and employees and their satisfaction, increasing profitability or developing target market. So, we should pay special attention to organizational learning. It's clear that we will not succeed if we don't respond to employees' needs whether we have a good innovation. The employees themselves can be a good source for innovation. Finding the obvious and the hidden needs of employees can result in an insured innovation. Bank managers should continuously answer this question that what the employees need and who we can provide them better than the components. Considering the subject and the aims of this study, the researcher's suggestions are: to encourage the employees to propose their ideas, identifying key persons, formation of think tank, try to increase the employee's satisfaction, investment in research and development, monitoring the world capital market, banking and opponents' strategies, try to find out employees' needs, appropriate and distinct responding than the opponents.

Considering that there is a positive relationship between organizational learning, innovation and organizational performance, bringing organizational learning in daily programs for employees can be efficient. Having programs for giving awards to employees for their good teamwork and cooperation in organizational learning can result in a good innovation. This can be a good opportunity for researchers to study the use of organizational learning and innovation in other cultures and also in national level regarding globalization and fast economic changes.

It's suggested to future researchers to do this survey in other banks (national banks, private and public corporations) with different managers in different ages and various statistical population. So that we can depend on them and generalize the results to Iran's society in whole. It's recommended that the researchers use research methods like interviews and perception instead of questionnaire.

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