

Investigating The Mediating Role of Customer knowledge And work behavior in Relationship between Organizational

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ABSTRACT

Innovation is considered as an important component in the survival of modern Organization. Successful organization in competitive environment are those who are able to gain the most and updated customers' knowledge and adopt to new innovative changes in the market . Senior managers and employees' commitment are needed for organization to foster innovation and changing work behavior. The purpose of this paper is to examine the relationship between organizational capacity(managers and employees' commitment) and organizational innovation through the mediating role of customer knowledge and work behavior.The paper 's conceptual model is a completed of three papers 'models ,written by Babak Zyae (2019),Maria Serna(2018) and Ida Sinaga(2019). Organizational capacity is considered as an independent variable, organizational innovation is considered as an dependent variable and customer knowledge (CK¹) and work behavior are considered as mediator variables. Data have been collected via questionnaires from managers of private bank in Iran. Feedback was received from 109 manager in 150 distributed questionnaires and hypotheses were tested.

INTRODUCTION

Why organizations need innovation, is evident from the fact that when your competitors are continuously innovating and you are not, it will eventually result your organization wipe out of the market. As well as, the critical role of innovation becomes stronger as a response to existing market challenges agitated by fierce competition, technological shifts, and never – ending changes on customer demand and lifestyle. Modern innovative organizations consider the innovation as an important factor and they try to shift their business strategies from product-oriented products to customer-oriented products, and they focus more on customer acquisition and customer retention, and the commitment of managers and employees are moving towards the customer knowledge (CK) and changing work behavior which creates added value for the organization, and with the emergence of today's knowledge-based economy, the competitive advantage is found in the process of CK acquisition and leading the

competitive markets. Hence, by recognizing and getting information from customers and their needs, organizations try to provide innovative products with lower prices and better quality in accordance with the customers' needs. Moreover, sustainability of any organization is highly depended on work and creatively of its employee (Raykov, 2014). For achieving this important goal, managers and employees should use their commitments which focus on the details of work behavior in order to enhance the organizational innovation.

In this Paper, the organization capacity refers to the commitment of senior managers and the employees and senior managers' role in implementing changes in the organization, supporting its implementation, leadership during the implementation process and commitment to advance the organization towards the customer-oriented objectives. Furthermore, it refers to the employees' commitment to the implementation of processes and the interaction and communication with

customers and their role in the effective implementation of plans and achieving the organization's objectives. (Mendoz et al., 2007; Shum et al., 2008)

Customer knowledge (CK) helps the organization to obtain, manage and transfer customer information in order to provide services and products in accordance with their needs and preferences and make decisions based on reliable information which is obtained from the customers. (Alavi & leinder, 2007)

CK will be investigated from three aspects of knowledge for customers, knowledge from customers and knowledge about customers. Knowledge for customers is the knowledge that the organization provides to the customer for giving information in order to be aware of better and more desirable products. Knowledge about customers refers to the knowledge about customers' background, interests and preferences and knowledge from customers refers to the knowledge that customers have about the organization itself and its products and services.

Moreover, organizational Innovation (OI) is a key factor in any organization to improve better in modern world. The OI concept has been studied from different perspectives and disciplines. Organizational innovation (OI) will be investigated from four points of view: product innovation, service innovation, internal process innovation (operational level), technology innovation. From the product innovation point of view, enhancing innovative product helps to respond customers' need. From the service innovation point of view, it refers to providing diverse and innovative services. From the technology innovation perspective, it mentions to updated technical tools that provide customers' needs in a better way. From the internal process innovation point of view, the bank regulation and process should be investigated to increase speed of the internal operation, innovatively. (Bareghah et al., 2009; Tayyab Akram et al., 2018) consequently, it effects on customers' satisfaction

Hence, the organizational capacity and the commitment of managers and employees to build customer knowledge (CK) affect the organizational innovation. Having knowledge about the customers helps maintain a long-term

relationship with them in the direction of their values and helps to identify the customers themselves, their needs and their preferences, and organization management must rely on excellent knowledge for making more rational decisions in order to improve Innovation in organizations.

In banking organization, customer orientation is considered as a main element. In this bank, the innovation has been implemented, but from improving technology and IT perspective, little attention has been paid to new needs in the service delivery. From the perspective of internal process innovation, it is observed that OI has many problems at the operational level of the organization. From the work behavior point of view, learning and practice should be provided in accordance with the innovative change. Moreover, preliminary investigations demonstrated that there is not much innovative diversity in the mentioned service delivery; and huge amount of investment has been allocated to this area, but the quality of the services and the level of customer satisfaction still have a long way for improvement.

Although innovation has received increased attention in recent years, some studies have reported a positive relationship between customer knowledge management and product innovation (Ziyae et al.2019), while few studied have reported the investigation of customer knowledge (CK) and the organizational innovation factors, and there are some studies which have reviewed the impacts of organizational commitment on Innovation(Serna et al,2018), also (Ida Sinaga, 2019) investigated the influence of affective commitment on innovative work behavior, but there are a few studies which have investigated the relationship between the organizational innovation and organizational commitment by mediating work behavior. Previous studies have conducted to identify the innovation type like process, product, technology (Bareghah et al.,2009), but according to Bareghah, there are a gap in investigating work behavior and organizational innovation. Hence, this study is an attempt to fill the gap by examining the relationship between organizational innovation and work behavior, Ck, and organizational capacity, which are less common in the recent

researches. With the help of this study, the role of commitment of managers and employees in creating innovation through changing employees' work behavior and promoting customer knowledge in order to gain organizational innovation were examined in a banking organization. With all these in mind, the main question of the present paper is "what are the impacts of Organizational capacity on Organizational innovation by the mediating role of customer knowledge and work behavior?" In line with this main question, the following five questions are discussed:

- 1- What are the impacts of Organizational Capacity on CK?
- 2- What are the impacts of CK on OI?
- 3- What are the impacts of Organizational capacity on OI?
- 4- What are the impacts of Organizational Capacity on Work Behavior?
- 5- What are the impacts of Work Behavior on OI?

This paper helps the organization to create the competitive advantage in the market by creating diversity in organizational product and services and creating innovation in the internal process. This study will be helpful to the managers in informing them about innovation. It will also serve as a future reference for researchers on the subject of organizational innovation. And importantly, this research will solve innovative internal organizational problems.

THEORIECAL FRAMEWORK

The innovation concept has been studied as a multi-stage process whereby organizations transform ideas into improved product innovation, service, or process innovation, in order to advance, complete and differentiate successfully in their marketplace (bareghah, Rowley, & sambrook, 2009). Innovation with customer knowledge in organization facilitate new outcomes.

The organizational capacity is the ability and commitment of the organization's managers and employees to objective achievement. The role of the senior managers in changing the organization's work behavior and supporting in implementing the organization's objectives could be effective. The commitment of senior managers and employees in providing customer

knowledge can help innovation in organization. Customer knowledge (CK) consists of the needs, preferences and information of the customers which is used as a source of information in order to acquire the competitive advantage in the market and it includes knowledge for customers, knowledge from customers and knowledge about customers.

The ability of building CK is related to the ability to acquire, manage and transfer customers immediately (in order to respond and provide better services to customers) and CK helps to make quick decisions for improving services to customers. Consequently, it improves organizational innovation. It is worth mentioning that, the knowledge acquisition and transferring, is considered as a relevant factor for success in organizational innovation. Organizational capacity is effective in improving organizational innovation. Commitment of senior managers to change the work behavior in order to support employees in the effective implementation of innovation, their leadership for making customer-oriented changes in the organization, and motivate and engage employees and change the internal processes of the organization could be effective in improving the organizational innovation. Commitment of employees to organizational innovation related training courses and their engagement in its implementation could also be useful; And the commitment of managers and employees in acquiring knowledge from customers and reviewing their needs and preferences and collecting information from them and about the market conditions, products and services of the competitors, acquiring knowledge about customers, their background and interests and comparing them to the characteristics and diversification of the organization's products and acquiring knowledge for customers in order to retain them, are considered as useful achievement; And the commitment of senior managers and employees to the development, creation and transfer of CK in the organization also helps to improve the organizational innovation.

REVIEW OF LITERATURE

- **The relationship between Organizational Capacity and Organizational Innovation**

Organizational capacity which is studied from the two aspects of organizational commitment of managers and employee commitment is a significant job and organizational attitude which has been a favourite concept of many management researchers during the recent years. In addition, it refers to the role of top managers in implementing changes in the organization, supporting its implementation, and conducting leadership throughout the implementation process and the commitment to advance the organization towards customer-centric goals. Furthermore, it includes the employee commitment which is needed to execute processes, interact with customers and their role in the effective implementation of programs and achieve the goals of the organization (Mendez et al 2007, Shum et al., 2008). Commitment means taking a responsibility, keeping with it, and making an impact. Thus, commitment means that a person invests in the organization and does not leave the organization anymore (Allah Dadi, 2003). The top manager is a main person in the development and support of commitments. The manager can be effective in the organization, its employees, tasks, and customers by accepting commitment as a positive force. Top managers recognize it as their task to create a commitment to customer, organization, key tasks of individuals, and themselves. In order to create this commitment, appropriate attitudes should be developed and a positive interest should be shown.

This is the task of all employees not the manager. Commitments are built through sacrifice and service. When a top manager is really loyal to his subordinates, the subordinates show commitment and sacrifice to their tasks.

Top managers have five key commitments, according to Hershey and Blanchard's theory (Hersey et al., 1992, 12)

➤ Top manager's commitment to customer: The first and perhaps the most essential organizational commitment emphasizes the customer. Top managers attempt to provide useful services to customers.

➤ Commitment to organization: The second commitment of the manager emphasizes the

organization and an effective manager is the pride of his organization. The manager indicates this commitment positively in three ways. Making the organization reputable, supporting top management, and following to main values of the organization.

➤ Top manager commitment to himself: The third commitment is based on the manager's personality. Managers create a strong and positive image of themselves for others. They act as a determining force in all situations. Commitment is made of three specific activities such as demonstrating independence of action, consolidating one's position as a manager, and accepting constructive criticism.

➤ Manager's commitment to individuals: The fourth commitment of managers emphasizes teamwork and all team members. The managers show sacrifice towards those who work for them. This action refers to the use of an appropriate leadership style by managers to help people succeed in their tasks. Managers' tendency to spend time and energy and daily work with subordinates reflects their positive commitment to employees, especially the three vital components of this commitment indicate positive interest, give progressive feedback, and encourage innovative ideas.

➤ Manager commitment to task: The fifth manager commitment is based on the tasks that should be fulfilled. Successful managers mean the tasks performed by employees. In addition, they set the focus and direction for employees and ensure the successful performance of tasks. Such a commitment is practical when the main explicit purpose, simplicity, and pragmatism are preserved in such a way to show that the task is important.

Effective management is achieved when these five commitments are fulfilled continuously. The manager is the link between each of the commitments (Allah Dadi, 2003). Richers considered the employee commitment as commitment to top management, supervisors, work groups, colleagues, and customers of the organization and believed that employees can commit differently depending on the degree of alignment of their goals and values (Shian Janj et al., 2003, 313). There are many benefits to organizations with committed employees, including cost reduction, better performance,

less absenteeism and higher productivity (Jafri, 2010). A general definition by Erdem & Ucar (2013) suggests that organizational commitment explains the psychological relationship of the employee with organization. Committed employees make a bigger effort for achieving organization targets and have more positive relationship with the organization. Additionally, organizational commitment has been negatively related to turnover intention (Jun-Cheng, Wen-Quan, Zhao-Yi, 2015).

Organizations need committed employees in order to face the worldwide competition. (Ida Sinaga et al, 2019). According to Sinaga (2019) two approaches have been used to define the commitment by researchers: one-dimensional approach and Multi-dimensional approach. According to One dimensional approach, organizational commitment refers to the relative strength of the identification of the individual and his or her involvement in a particular organization (Porter et al., 1974). Multi-dimensional approach views organizational commitment as a psychological state that consists of three components- Affective, Continuance and Normative commitment. (Allen and Meyer, 1990; Ida Sinaga, 2019). Our focus for this study is loyalty and attachment of top managers and employees with their organization. Hence we have selected Organizational capacity which is regarded as two aspects of commitment of employees and top managers. The relationship between organizational commitment and innovation has been studied by several researchers in different contexts. According to Staw (1980), new employees would possibly bring different points of view to the organization, favouring innovation initiatives. Moreover, (Mowday, Porter, & Steers, 2013) propose that those employees with no intention to leave might want to maintain the status quo and prevent changes from happening. (Serna and Martinez, 2018; Zhou, Hong, 2013) point out that committed employees are highly motivated to remain in their current positions and might be more motivated to engage in innovation-related behaviours because creativity is often a key criterion for pay raises and promotions. In this regard, Serna (2018) argues that there are

relationship between organizational commitment and organizational innovation. (Ida Sinaga, 2019). There are many benefits to organizations with committed employees in order to face the world-wide competition, including cost reduction, better performance, less absenteeism and higher productivity. Hence, Organizational Capacity, top managers and employees' commitment are required to increase innovation and creativity in the organization.

- The relationship between organizational capacity and customer knowledge

Garrido Moreno (2011) in an article on 153 hotels in the UK and Spain studied the relationship between organizational capacity and its dimensions (manager commitment and employee commitment) and customer knowledge. The results indicated a significant relationship between top manager commitment and employee commitment with customer knowledge. A study by Abdul Manaf Bohari (2010) on 201 ICT companies in Malaysia dealt with the role of organizational capacity, employee commitment and manager commitment in customer knowledge. In addition, knowledge from customer, knowledge about customer and knowledge for customer are considered as dimensions of customer knowledge. The results indicated a significant relationship between the commitment factors of manager commitment, employee commitment, and customer knowledge (Abdul Manaf Bohari, 2010). A study by Suntornpithu et al (2011) on 348 models of the US service organizations found a significant relationship between manager commitment, employee commitment and customer knowledge. In addition, they found that the organizations with committed top managers put more emphasis on creating commitment in employees and empowering them. Furthermore, they act more successfully in gaining knowledge from customer, knowledge for customer, knowledge about customer (Suntornpithu et al, 2011). Managers make sure of sharing customer knowledge and learning which occurs in the organization and also play an effective role in the availability of customer knowledge at all levels of organization

and can encourage employees to participate in its acquisition. The use of customer knowledge establishes a bridge between employees, especially between those who know and those who want to know. In this regard, customer knowledge becomes generalized and useful among the employees of the organization. (Donyayi,2010). Organizations are considered as the sources of questions and answers which are full of customer's hidden knowledge, and it is the duty of the organization's managers to reveal the customer's implicit knowledge and streamline it in the organization (Ibid. 2010). Strategies, policies, and guidelines of organization as well as management tools play a role in streamlining customer knowledge in the organization. A culturalization in knowledge sharing and transfer of experiences of employees and managers, and the reflection of knowledge from customer causes knowledge about customer. The purpose is to determine the business, commercial, and service value of knowledge for the organization and managers can enhance the value of knowledge services in the organization by involving employees in acquiring and sharing knowledge and creating this culture among the employees as a work behaviour. Managers and employees communicate with each other and with customers and also share customer knowledge in the organization with the help of communication tools such as mobile phones, video conference, and computer networks such as the Internet (Anvaei, 2012). Managers can enhance organizational capacity by creating virtual learning to share customer knowledge. Thus, considering customer knowledge in organizations and establishing the hardware and software required to provide this knowledge for the use of employees should be regarded by managers (Ibid. 2012). Managing knowledge from, for and about customer should be systematically considered as a synergy approach to organization's processes and activities .It helps to co-create value with customers. In particular, managers should put more emphasis on knowledge from, about and for customer to enhance new services. (Raminta Jokubauskienė, 2019)

The relationship between Organizational Capacity and Work Behavior

Organizations acknowledge the fact that organizational innovation highly depends on enhancement of work behavior. Therefore the impact of top managers on work behavior has remained the main research topic among practitioners and scholars. The work environment that encompasses the Organizational Commitment (Hassan, 2010), team work (Perdomo_Ortiz et al., 2009), employees 'incentives, empowerment and skills (Cordero, Walsh, and Kirchhoff (2005) is conducive to the innovation activities, especially among employees. The Work behavior is positively related to continuance commitment (Hassan, 2010). Carmeli and Spreitzer (2009) found that trust, thriving and connectivity have inter-linkages with work behaviors. According to previous literature, Top managers' commitment and employees' commitment are related to work behavior .Top managers who support employees and consider incentives could have impact on promoting work behavior. They could commit to consider rewards to improving employees' work behavior. Employees' financial and non-financial incentives and empowerment is a precedent of innovation activities (Lee, Wong, Foo, & Leung, 2011). Atak (2011) states that Organizational Capacity affects Work behavior and remarks that organizations on the information age need to obtain employees with high organizational commitment and take measures to increase commitments of employees to become Idea-generating organization. In addition ,Lim(2010) confirms that organizational Capacity, Is moderately and positively related to learning organization culture and job satisfaction. Recently, Mehrabi, Jadidi (2013) measured the impact of organizational commitment on a communications company and concluded that there are significant relationship between organizational commitment and organizational learning. According to Serna (2018), Organizational Capacity, commitment is related to learning and generating new ideas and has impact on Innovation. Also, significant relationship were found among different levels of organizational capacity, top managers '

commitment ,employees ‘ commitment and generating, improving behavior of new ideas. Ida Sinaga (2019) assert that an individual who is affectively committed to his or her organization might be more likely to be attached to his or her organization to join and be active in relevant work behavior to generate new thoughts .Hence, according to the previous literature, they may be relationship between Organizational capacity and work behavior.

- The relationship between Customer Knowledge and organizational innovation

Paying attention to innovation and supplying innovative products and services in accordance with the changing needs of customers are the most important goals of any organization in an era which is characterized by short product life cycles, dynamic markets and complex processes(Lolfsten,2005).In recent years many organization are shifting to customer-driven innovation , based on customer’s needs ,and preferences. According to (Serna and et al,2018)organizational innovation is connected with innovation in product, service, process, which refers to the resources used to drive and support innovation, like the balance of technology, ideas inventions, creativity and market (Bareghah, 2009).

Innovation in organization reflects the standardization, low tolerance and systematic procedure. In general, speed and quality in innovation differentiates organization from competitors and ultimately affect an organization’s performance (Wang ,2012).Hence quick innovative technology ,relied on customers’ needs can improve organizational innovation ,also result in quick internal processes .In this paper, definition of organizational innovation is classified using four aspects :product innovation ,service innovation ,process innovation ,and technology innovation .Knowledge is found to be the main building block for innovational process. By increasing the position of the customer in the marketplace, new approaches to essential question such as “how to innovate”, ”how to achieve a competitive advantage” have to be considered (Hollebeck, 2013) .Customer knowledge is considered as a dynamic

combination of experience, value, information, and expert views which is required and made during the process of transactions and exchanges between the customers and the organization. Customer knowledge helps the organization to acquire, manage, and transfer customer information to provide services and products according to their needs, preferences, and decision-making based on reliable information obtained from customers. (Alavi and leidner, 2007). However, customer knowledge does not constitute a strategic advantage by itself; it needs to be managed (Taherparvar and et al., 2014). There are three types of classifications for customer knowledge. According to Gibbert (2002), customer knowledge from an organizational perspective is divided into three types of knowledge for customer, knowledge from customer, and knowledge about customer. The Customer knowledge can be defined as the ideas, thoughts, and information received by an organization from its customers. This knowledge helps the organization to increase its products and sales by focusing on customer preferences and increasing the compatibility of products with their demand (Freng & Tian, 2005). Such information includes the services and products of the organization, services and products of competitors, future needs and some ideas for innovation in the company's products received from different communication channels (Ibid, 2005). Customer knowledge refers to a type of knowledge about customers' backgrounds, interests, preferences about product features (Chen and Su, 2006).CK connects external environment to internal environment(Chen,2008) and transfers and shares information not only among customers and Within organization but also between customers and organizations(Zhang,2011).The organization that support its employees for contributing customer knowledge, is expected to create new and better Ideas and encourage new business opportunities, hence enabling organizational innovation activities (Alhady et al.,2011)

- The relationship Between Work Behavior and Organizational Innovation

Innovation means the ability to apply creative solutions to problems and opportunities to

improve and enrich people's lives. (Zimmerer, 2005). Organizational Innovation provides opportunities for employees to transform an idea that can be marketed. (Jong, 2007). Innovation related studies are found highlighting the importance of innovation related issues crucial for modern economy (Raykov, 2014). Due to this importance of organizational innovation, employees' work behavior is the key requirement for success. According to West and Farr (1989), work behavior is the result of individual behavior in introducing and applying the 'new' things that benefit the organization at various levels. Organizations must harness the work behavior potential of their employees to create better and novel ways to deal with highly dynamic and competitive organization environment. Innovative organization can gain a competitive advantage over their innovative competition through their employee's ability to generate new ideas and use these as building blocks for new and better products, services, and work processes (Ida Sinaga, 2019). Work behavior is a recognition of issues and beginning and deliberate demonstration of new and valuable ideas, include a set of behaviors expected to generate, promote and implement ideas.

work behavior also varies from employee creativity that focuses on the generation of thoughts (Hage, 1999). This definition presents three basic functional elements of work behavior namely creation, promotion and implementation of novel ideas that benefit the organization (Scott & Bruce, 1994; Yuan & Woodman, 2010; Ida Sinaga 2019). Idea generation is creating novel thoughts, Idea promotion is enhancing and extending new thoughts, and Idea implementation is practice and executing new thoughts to create competitive innovative ways in the workplace. Therefore, this new combination may be associated with new products and services, processes, markets, technology, delivery systems and policies (Tidd

et al., 2001). This also provides Organizational Innovation.

On the base of above literature and arguments, following hypotheses are generated.

H1: Organizational Capacity has impact on Organizational Innovation.

1-1. top managers' commitment has impact on Organizational innovation.

1-2. employees' commitment has impact on Organizational Innovation.

H2: Organizational Capacity has impact on Customer knowledge.

2-1. top managers' commitment has impact on customer knowledge.

2-2. employees' commitment has impact on customer knowledge.

H3: Organizational Capacity has impact on work behavior.

3-1. top managers' commitment has impact on work behavior.

3-2. employees' commitment has impact on work behavior.

H4: Customer knowledge has impact on organizational Innovation.

4-1. knowledge from customer has impact on organizational Innovation.

4-2. knowledge about customer has impact on organizational Innovation

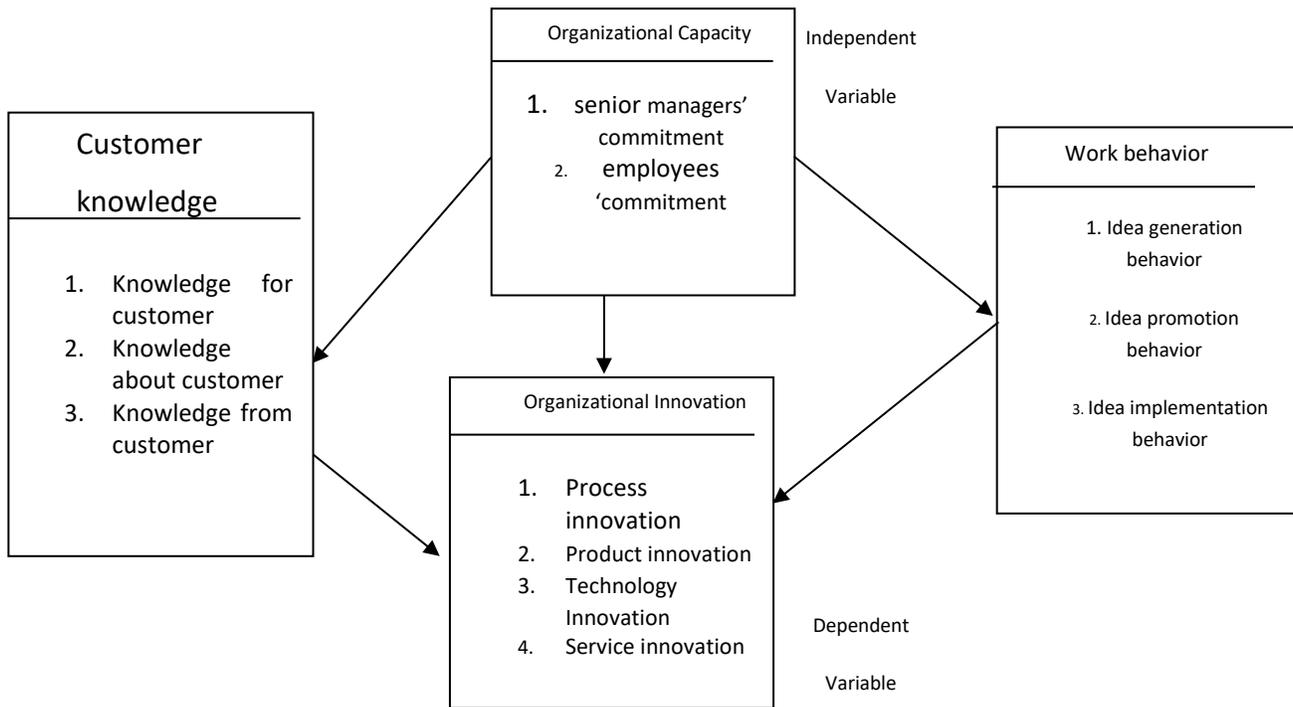
4-3. knowledge for customer has impact on Organizational Innovation.

H5: work behavior has impact on Organizational innovation.

5-1. idea generation behavior has impact on organizational behavior.

5-2. Idea promotion behavior has impact on organizational behavior.

5-3. Idea implementation behavior has impact on organizational behavior



(Babak Ziyae et al,2019;Maria Serna et al,2018;Ida Sinaga,P Lumbanraja et al,2019)

FIGURE 1: THE CONCEPTUAL MODEL

Methodology

Since the research was conducted with the intention of applying its findings to solve specific problems within the organization, it is in terms of correlation method (structural equations). In the present study, the statistical population includes all managers and senior executive experts of Tejarat Bank, whose total number is 150 people. In this research, the data collection tool is a questionnaire whose scale is a five-choice Likert scale which have been examined in previous studies and the answers are provided in completely agree, agree, neither agree nor disagree, disagree and strongly disagree, respectively. Using the formula of simple random sampling method, a sample of 150 people was selected and structural equations were used to analyze the data.

(Allen myer et al., 1997; Javad Rastgoy et al., 2012; Soltani ellahe et al, 2008)

Data analysis

Confirmatory factor analysis of research variables

AMOS25 software was used to confirm the validity of the structure. The measurement model shows the factor loads of the observed variables (factor) for each hidden variable. The strength of the relationship between the factor (hidden variable) and the visible variable is indicated by the factor load. In confirmatory factor analysis, it is also important to pay attention to the fit of the model. Common fit indices in measurement models for latent research variables are presented below each figure. Among the fit indices, if the ratio of chi-square to the degree of freedom is less than 2, the model has a good fit. RMSEA index less than 0.1 is desirable. The closer the other indicators are, the more desirable they are (Haier, 2006). A summary of these indicators is given in the table (below).

Table 19-4: Summary of fit indicators

Acronyms	Full name of the fit index	Acceptable amount
RMSEA	Root Mean Square Error of Approximation(RMSEA)	<0.1
CMIN/DF	Chi-degree freedom	<2
SRMR	Standardized RMR	<0.8
IFI	incremental fit index	>=0.90
RFI	relative fit index	>=0.90
NFI	Normed Fit Index	>0.90
PRATIO	parsimony ratio in the output	>=0.50
PNFI	Parsimonious normed fit index	>0.90
PCFI	Parsimonious Comparative fit index	>0.90
GFI	Goodness of Fit Index	>0.90
CFI	Comparative Fit Index	>=0.90

The data of this study were edited from the data standardization method in the regression analysis analytical path in SPSS 24 and the data used that were located in the range of +3 to -3.

And more and less data from this range were removed from the data to provide more standardized data for analysis.

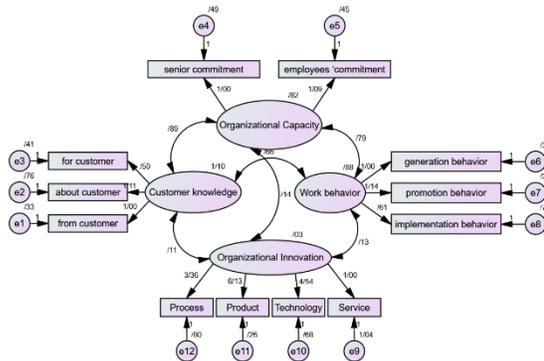


Figure 2. Confirmatory factor analysis with non-standard coefficient

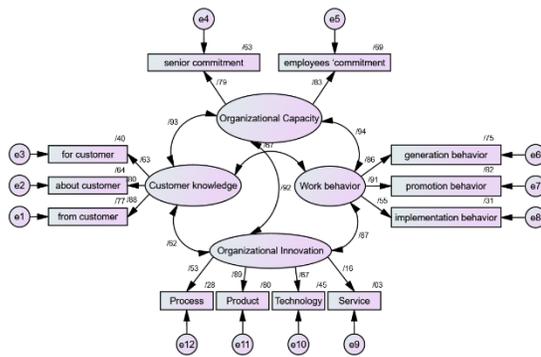


Figure 3. Confirmatory factor analysis with standard coefficient

According to Figure 3, all dimensions of the model variables have a factor load are higher than 0.3 and desirable. To express the acceptability of the model, Bentler-Bonnet's

normalized fit index, relative fit, incremental fit, Tucker-Lewis, adaptive indices and full squares have been used. The results obtained from the model can be examined in the table below.

Table (1). Fit indices of model variables

Model	X2/df	RMSEA	NFI	CFI	GFI	IFI	RFI	PRATIO	PNFI	PCFI	SRMR
Acceptable rate	<3	<0/1	≥0/9	≥0/9	≥0/9	≥0/9	≥0/6	≥0/50	≥0/6	≥0/6	<0/8
Calculated	0/030	0/000	0/91	0/92	0/87	0/95	0/97	0/70	0/62	0/72	0/03

Root Mean Square Error of Approximation (RMSEA): This index is based on the analysis of the residual matrix and, unlike many fitting indices, can also be calculated for different confidence intervals. This index is based on a non-central parameter. If the value of this index is equal to zero, it indicates that the chi-square is smaller than the degree of freedom and its allowable value is 0.1 (Haier, 2006). The value of RMSEA obtained is 0.00, which is desirable considering the standard value of less than 0.07.

Comparative indices (IFI, CFI, RFI, and NFI): The NFI value or the normalized Bentler-Bonnet's fit index is 0.91, which according to the standard value of 0.9, which is the optimal limit of this index, the model has a good fit according to this index. The value of RFI or relative fit index obtained is 0.97, which indicates a relatively good fit of the model. The CFI value or the obtained adaptive fit index is 0.92, which also indicates the optimal fit of the model. The IFI value or incremental fit index obtained is 0.95, which indicates the optimal fit of the model.

Economic indices (PCFI, PRATIO): The value of PCFI or economical adaptive fit index is

equal to 0.72 and indicates the optimal condition of the model. The value of PRATIO or economy ratio is equal to 0.70 and indicates the optimal condition of the model.

Normal chi-square (DF/X²): This index is obtained by dividing chi-square by the degree of freedom. There are different views on the acceptable value for this index. In this study, values less than 1 are considered as the optimal limit. The ratio of chi-square to the degree of freedom is equal to 0.030 and is desirable. In general, considering all the indices (unfavorable amount of RMSEA and chi-square ratio to the degree of freedom), it can be said that the model has a good fit.

Factor loads indicate the effect of the observed variable in explaining and measuring the hidden variables related to them. Significant level is considered to confirm the factor load. If the significance level is less than 0.05, the effect factor load is significant. The table below reports the factor loads and the standard error rate, significance level and t-value of the questions related to the variables.

Table of standard coefficients of the model

Variable	Non-standard estimates	standard error	Critical ratio (t-statistic)	Significant	Standard coefficient
Customer knowledge	1/000	0/127	7/871	•/••0	0/609
Organizational Capacity	0/986	0/132	8/532	•/••0	0/598
Work behavior	0/894	0/131	6/487	•/••0	0/628
Organizational Innovation	0/847	0/128	7/384	•/••0	0/568

***means 0.001 <P

Due to the smaller level of significance in the table above and the degree of significance, it is clear that all observed variables significantly explain their hidden variable. The closer the standard estimate is to one, the importance and stronger the relationship is. As a result, according to the standard coefficients, we can say that the questions of customer knowledge dimension (0.609), organizational capacity

dimension (0.598), and work behavior dimension (0.628), organizational innovation dimension (0.586), have the most impact.

Discussion and Conclusion

The purpose of this study was to investigate the mediating role of customer knowledge and work behavior in the relationship between organizational capacity and innovation. In this

context, an attempt was made to provide an accurate statistical sample to enable accurate validation of the scale. The present scale was based on empirical findings and theoretical approaches to the mediating role of customer knowledge and work behavior in the relationship between organizational capacity and organizational innovation. The content and face validity of the scale were confirmed by experts. Also, the research findings in the study of the validity of the scale structure, using confirmatory factor analysis, have shown an appropriate and defensible correlation between the hidden variables.

The factor load or regression weight of the items on this scale was almost all above 0.3. Kelin (2001) and Howitt and Cramer (2000) introduced a factor load of 0.3 as a suitable criterion for selecting a question and others such as Cooper (2000) presented a factor load of 0.4 as a suitable criterion for selecting each question for each factor in factor analysis. Therefore, in the present study, the factor load of items is at a desirable level. Moreover, the fit indices of the model showed a good fit and confirm the research findings in this field.

In this study, Cronbach's alpha coefficient was used to evaluate the validity or reliability of the scale of the mediating role of customer knowledge and work behavior in the relationship between organizational capacity and organizational innovation. The alpha coefficient obtained for the whole scale is 0.954. Additionally, the reliability coefficient of the components ranged from 0.953 to 0.955, which is a good reliability coefficient, because validity coefficients of 0.70 or more are usually sufficient for research purposes.

The first hypothesis states that organizational capacity affects organizational innovation. Using structural equation measurement in this hypothesis, based on the results of t-test, since the significance level of the test is less than 0.05 and the obtained t is greater than 1.96, i.e. 5.68; accordingly, the research hypothesis is confirmed. It can be concluded with 95% confidence that organizational capacity has an impact on organizational innovation.

The second hypothesis states that organizational capacity affects customer knowledge. Using structural equation measurement in this

hypothesis, based on the results of t-test, since the significance level of the test is less than 0.05 and the obtained t is greater than 1.96, i.e. 4.25, so the research hypothesis is confirmed. It can be concluded with 95% confidence that organizational capacity affects customer knowledge.

The third hypothesis states that organizational capacity affects work behavior. Using structural equation measurement in this hypothesis, based on the results of t-test, since the significance level of the test is less than 0.05 and the obtained t is greater than 1.96, i.e. 12.63; the research hypothesis is confirmed. It can be concluded with 95% confidence that organizational capacity affects work behavior.

The fourth hypothesis states that customer knowledge has an impact on organizational innovation. Using structural equation measurement in this hypothesis, based on the results of t-test, since the significance level of the test is less than 0.05 and the obtained t is greater than 1.96, i.e. 9.47, so the research hypothesis is confirmed. It can be concluded with 95% confidence that customer knowledge has an impact on organizational innovation.

The fifth hypothesis states that work behavior has an effect on organizational innovation. Using structural equation measurement in this hypothesis, based on the results of t-test, since the significance level of the test is less than 0.05 and the obtained t is greater than 1.96, i.e. 7.52; hence, the research hypothesis is confirmed. It can be concluded with 95% confidence that work behavior has an impact on organizational innovation.

Conclusion

Conclusion is the product of the researcher and is useful for future researchers. According to the hypothesis test results, organizational capacity and hence the commitment of top managers and employees affect organizational innovation. Organizational capacity has also impact on customer knowledge and customer knowledge affects organizational innovation as well. Managers and staff are committed to using the knowledge of the customer to provide knowledge about and for the customer to provide the basis for innovation in products, services, technology and processes of the

organization. On the other hand, organizational capacity also affects work behavior. So the commitment of managers and employees affects work behavior. Managers and employees are committed to leading the work behavior in the organization to create, promote, and apply the idea. And work behavior itself affects the innovation of the organization. Therefore, creating innovative thinking, using and promoting it, affects the innovation of the organization. Thus, the commitment of managers and employees has an impact on the creation, promotion and application of innovative ideas and ways of thinking and relying on customer knowledge, it has also affects product and service, technology, and processes innovation of the organization.

Limitations and Suggestions

Several limitations to this study need to be acknowledged. The findings in this study are subject to at least two limitations. First, some branch managers were chosen for completing questionnaires that might have had a possible effect on answers. Using randomly selected participants with comparable responsibilities in terms of personnel would cause more reliable results in future studies. Second, the neglecting of professional work environment of the surveyed personnel as a characteristic which could largely affects the results of the study. Some offices personnel were neglected.

To overcome these limitations and other shortcomings of this study, we suggest future comparative research on larger samples by studying innovation among different work environment. We encourage future research also to examine the mediating and indirect variables which can influence work behavior and personnel commitment.

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Appendix

A questionnaire in front of you is to conduct research entitled "Investigating the mediating role of customer knowledge and work behavior in the relationship between organizational capacity and organizational innovation". Due to the importance of the opinion of experts and thinkers, please read the questions carefully and choose the most appropriate option. Obviously, the answers you will give to this questionnaire are considered confidential and are used only for the research purposes of the present study. Thank you for your cooperation, dears.

General information:

Gender:

Male female

Work experience:

Less than 5 years 5 to 10 years 10 to 20 years more than 20 years

Education:

Undergraduate B.A. M.A. Ph.D.

No	Questions	Completely agree	Agree	Neither agree nor disagree	Disagree	Completely disagree
1	In this organization, new services are always offered to customers					
2	This organization is always leading in offering new services					
3	The organization is innovative in providing new services					
4	Compared to other organizations, this organization is in the first place in offering new products					
5	This organization is innovative in providing deposit products and new services					
6	This organization always presents products in new forms					
7	This organization always makes changes in the service delivery process					
8	This organization is a leader in providing new methods and service processes					
9	This organization is always confronted with the new processes of the rival organization and tries to provide better procedures and processes					
10	In this organization, employees are committed to perform their duties in accordance with new methods					
11	This organization uses new technology earlier than other similar organizations					
12	The organization is innovative in applying new technology and equipment					
13	This organization will ask customers about the quality of their current services					
14	Our organization learns from customers about the innovative services of its other competitors					
15	Our organization polls them for innovative customer service					

16	Getting customers' opinions is effective in developing our bank's new and innovative services					
17	Our organization is well aware of customers' backgrounds					
18	Our organization is well aware of the number of customer referrals					
19	Our organization is well aware of the number of customer referrals					
20	Our organization is well aware of new customer demands and requests					
21	Our organization is well aware of customer's problems					
22	Our bank is well aware of the job and income level of customers					
23	Our bank is well aware of customers' credit					
24	Our bank provides customers with information about innovative and new services					
25	Our organization provides customers with information about the benefits of new services					
26	Our bank helps customers to choose the best services by providing information					
27	As an employee of this organization, I create new ideas for difficult issues					
28	As an employee of the organization, I am looking for new methods, techniques or tools					
29	Employees seek to create fundamental solutions to problems					
30	Employees seek support to promote innovative ideas					
31	Employees seek approval from superiors for innovative ideas					
32	Employees seek to connect with important and enthusiastic members for innovative ideas					
33	Employees turn their innovative ideas and thoughts into applications					
34	Employees systematically introduce and implement innovative ideas in the workplace					

35	In our workplace, evaluating the usefulness of creative ideas is a work behavior among employees					
36	Employees use appropriate plans and programs to implement their ideas					
37	To help the bank, employees tend to do more than just what their job description is					
38	Employees feel good when they realize that their work has made the bank successful					
39	Even if the bank is not in a good financial position, the employees still do not want to leave the organization					
40	Employees are proud to tell people they work at this bank					
41	Employees feel that they are part of the organization					
42	I believe that employees should always be committed to new and innovative tasks					
43	The top managers of the organization feel a sense of belonging to the organization					
44	The top managers of the organization are interested and committed to performing their duties in the organization					
45	Top executives are committed to innovation in their organization					
46	The top managers of the organization make innovative decisions about offering new services and products compared to other organizations					
47	Top executives encourage employees to act on innovation goals based on customer demands					