

AN INVESTIGATION INTO THE STRUCTURAL RELATIONSHIP BETWEEN MISSION CULTURE AND KNOWLEDGE CREATION PROCESS IN PAKISTANI BANKS

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ABSTRACT

This study sets out to investigate the structural relationship between mission culture (strategic direction, goals & objectives, and vision) and knowledge creation process (socialisation, externalisation, combination, and internalisation). Based on both online and self-administered survey of 346 employees from 50 branches of 03 knowledge-intensive banks in Karachi, this study utilised the structural equation model (SEM) to investigate the hypothesised model. The hypothesis testing result during the structural equation modelling indicated that the significance level is more than error level. The H_0 in case of all three hypothesis can't be rejected at 95% confidence level so that researcher can't confirm the hypotheses (H_1 , H_2 and H_3). Practically, the findings of this study implies that the banks in Pakistan should clearly outline the strategic direction, and knowledge management goals so that the working staff can take the appropriate benefit of the knowledge management process through knowledge creation, sharing and use.

Keywords: Mission Culture, Knowledge Creation Process, SEM Analysis, Pakistani Banks

INTRODUCTION

The deployment of knowledge as a factor of production and source of competitive advantage is not new. The distinguished economists, for example, Adam Smith (i.e. wealth of nations), Alfred Marshall (i.e. knowledge as a productive resource) and Kenneth Arrow (i.e. learning by doing) also cited 'knowledge' as a source of competitive advantage and economic production (Ichijo, 2006). The inception of the term 'knowledge worker' paved another milestone in the field of management (Drucker, 1998). Undeniably, Peter Drucker's theory of the 'knowledge economy' meticulously shifted the conventional patterns of economic growth by highlighting the value of the knowledge worker (Florida, 2010). Until the 1990s, economists kept on finding the basics of economic growth (Foray & Lundvall, 1996). In this limelight, corporate investment for deploying knowledge resources in response to the apparent changes in the larger economic environment not only enhances the productive capacity of the firms, but it also manages knowledge-based competence of the corporation in collaboration with other factors of production (Florida, 2010). However, it is a big challenge for managers to adopt an effective way in which organisations leverage tacit and explicit knowledge resources that exist within their own organisation (Nakano et

al., 2013; Swart & Harvey, 2011). In a traditional way, the production process usually require the conversion of inputs (e.g. land, labour and capital) into outputs (e.g. product and service) (Florida, 2010). However, the knowledge-based theory of the firm fundamentally stands on the assumption that the critical input of production and creating value is knowledge (Grant, 1996). Arguably, this idea is backed up with some previous thoughts which entail that the internal resources, capabilities, and competencies of the firm, such as knowledge, learning, and dynamic capabilities, have become sources of long-term sustainability and competitive advantage (Pfeffer, 1995). Besides this, the knowledge resources neither easily transformed nor easily created in a meaningful way (Grant, 1996; Foray & Lundvall, 1996). Therefore, the economists have long thought to redefine the French Physiocrat's land-based theory of value and introduced a knowledge-based theory of the firm (Grant, 1996). In other words, the rate of knowledge utilisation in an average economic production process is still a very complex phenomenon. For example, a non-physical (i.e. tangible) type of factor of production disregards some primary economic principles and most of the people in the creative group couldn't hold and manage their intangible resources effectively because it remained in their heads (Florida, 2010). Therefore, the process of synthesise, enhance, and expedite large scale inter and intra firm knowledge management is a fairly illusive phenomenon (Alavi & Leidner, 2001).

In spite of that, all human abilities are knowledge dependent as it provokes all humans to create new ideas, concepts, mind maps and different cultural norms and practice. Therefore, organisational knowledge vis á vis employee knowledge really matters to obtain a sustained growth and a competitive advantage (Florida, 2010). In fact, the industrial revolution has shifted the organisational paradigm towards utilizing knowledge as a fourth factor of production so as to contend unsure global continuum. Thus, knowledge creation and management process has been given credence for gaining competitive advantage through integrating knowledge-based creative resources (de Jong et al., 2010). For example, a significant number of people acquired employment in the knowledge category over the past three decades (Florida, 2010). The approximate share of knowledge workers drastically increased in the United States from 17% to 59% in 2000 as compared to non-knowledge workers, whose share had drastically declined from 83% in 1990 to 41% in 1998 (Meister, 1998). In addition, only in the United States, the knowledge workers (or knowledge sector) accounted for almost 50% of all wealth generation. With regard to that, the total manufacturing and service sector contributed nearly \$2 trillion to the economy and more than half of all wages and salaries were paid to the knowledge sector other than the manufacturing and service sectors (Florida, 2010).

The knowledge creation process is now considered as an important element of organisational vision as it aligns organisational members with the knowledge transfer process of dialogue and practice. It is argued here that, organisational knowledge can be captured in organisational routines, procedures, processes, system's rules, and

Therefore, it would be imperative to understand those factors in which knowledge can be created, shared and utilised. In addition, the lack of research in banking organisations from the perspective of a knowledge-based view of the firm (e.g. intellectual and human capital) further reciprocates the empirical investigation of the determinants that create and share knowledge in the organisation. In terms of organisational culture, the supporting corporate strategy promotes an environment of trust and confidence in which individuals and organisations feel free to create, share and disseminate knowledge (Biloslavo & Prevodnik, 2010). For example, mission culture in the organisation e.g. strategic direction, goals & objectives and vision are often intentionally formulated to substantiate the cognition process within individuals and teams in the organisation (Bryson, 2011). Therefore, this particular study, however, obsessed to unfold the structural relationship between mission culture and knowledge creation process in, Pakistani banks.

THEORETICAL HINDSIGHTS OF MISSION CULTURE AND KNOWLEDGE CREATION, MANAGEMENT, AND TRANSFER

In spite of two different paradigms whether knowledge can be managed Von-Krogh et al. (2000) or cannot be managed Maasdorp (2002), knowledge management theorists agreed upon the fact that, different organisational activities positively affect knowledge creation process under senior management support and well aligned knowledge vision. However, in order to align organisational members with core knowledge creation and sharing principles, organisational mission (or mission culture) could be an immediate panacea that create a state of equilibrium between the components of a formal system of corporations. It helps to drive the activities of organisation members and used to direct, evaluate and monitor their performance. Bryson (2011, p.11) indicated “mission statements, if not integrated into a rational practice or set of practices along with mental activities, strategic activities, tacit knowledge and emotions are things or artefacts that do not necessarily produce positive results.” Hence, this argument categorically endorsed our conviction to suggest a hypothesis that, organisational mission has a statistically significant impact on the knowledge creation process in the organisation. Because, organisations design their mission statements in line with employees mental activities (e.g. beliefs or assumptions) and this inter-connectivity lead them to produce new ideas or knowledge. In addition to the mission culture, the presence of well aligned strategic direction, clear goals and objectives and organisational vision are often intentionally formed to invigorate cognition process within individuals and teams in the organisation (Bryson, 2011). Therefore, strategic direction should not be perceived merely as an object, but it should be shared one as top leadership has to ascertain its good fit with organisation members to enhance the commitment and motivation toward attaining higher order goals (Bogler, 2001). Likewise, if the mission statement is appropriately incorporated with the philosophy and ideology of the organisation then

it could serve as a 'general reference point' that ultimately direct the members towards the accomplishment of goals (Bogler, 2001). Undoubtedly, vision and visionary leadership supposed to establish a sense of motivation that elevates organisations towards productivity on the one hand and invigorates employee satisfaction on the other (Kantabutra, 2009). The proposition of 'knowledge vision' is not new in the literature as it remained part of the core company paradigms in shape of strategic intent, vision or mission, strategies and core values (Krogh et al., 2000b). In this connection, the related literature also unfolded certain connecting dots that corroborate the impact of vision on the creation of new ideas. For example, Zaccaro and Banks (2001) aptly acknowledge this as 'self-identification with vision'. Bratianu (2010, p.45) wrote that "knowledge vision is an integral part of the strategic vision of the firm that determine the purpose of existence and gives a direction to the process of knowledge creation." The knowledge creation process is now considered as an important element of organisational vision as it aligns organisational members with the knowledge transfer process of dialogue and practice. It is argued here that, organisational knowledge can be captured in organisational routines, procedures, processes, system's rules, and culture. Therefore, it would be imperative to understand those factors in which knowledge can be created, shared and utilised.

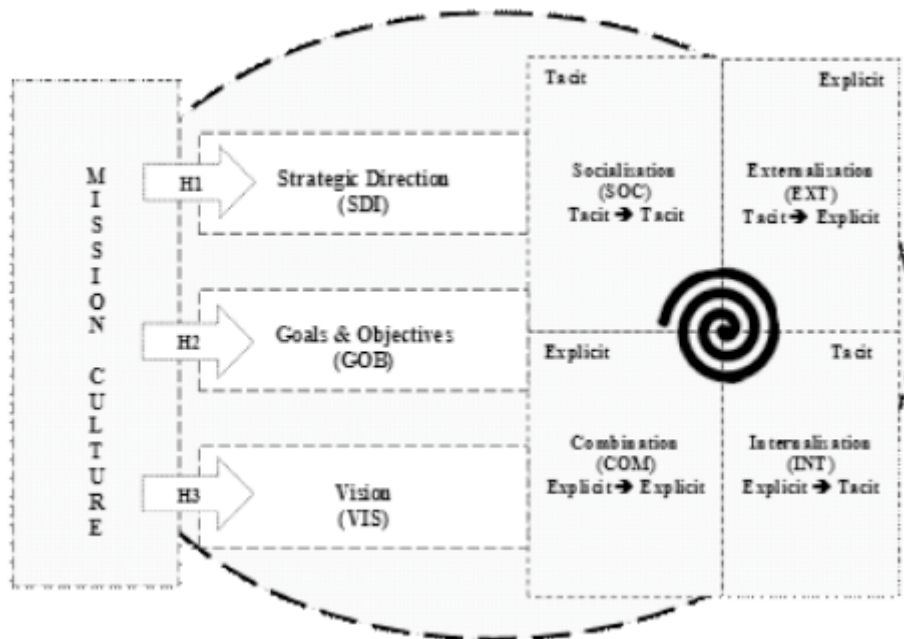
Until 1990, various HRD functions were evolved and the notion of firm's strategic direction has been emerged as a basic part of HRD that inflicted numerous implications related to the strategic area. One such implication was the implementation of a strategic system for managing knowledge (Aliaga, 2000). Correspondingly, this paradigm shift has diverted management attention towards achieving long-term sustainability by removing organisational obstacles to creativity (Lusch et al., 1998) which means facilitating changes in the organisational culture, cultural values and employees' beliefs for managing knowledge (Mueller, 2012). It argued here that, an effective and strategic system could create a positive force field amid organisation in general as well as employees' in particular to create, transform and disseminate new knowledge. Likewise, knowledge in both shapes (e.g. tacit or explicit) deciphered into workplace activities, and it can be produced or created by understanding through achieving the purpose of the entire enterprise or its parts (Bryson, 2011). The researcher conceived that the organisational mission statement must allow some space for knowledge workers in which they can easily get through likely (or unlikely) limitations and restrictions imposed by prevailing information that prevent them from attaining a new perception, a new observation of the environment and new knowledge. Also, it may be pertinent here to argue that organisation members share organisation vision as 'schema' (Kotter, 1982) or regard this as a 'course of action' of what needs to be achieved (Baum & Singh, 1994). The 'vision assimilation' is considered as an important antecedent that not only regarded and shared with key stakeholders, but it signifies the interests and the anticipations of the followers and managers (Bogler, 2001). Therefore, mission culture (or mission assimilation) made up of three indexes (i.e. strategic direction,

goals & objectives and vision) is positively correlated with knowledge creation process in typical knowledge-intensive organisational setting.

RESEARCH MODEL AND HYPOTHESES

The hypothetical model in Figure 1 illustrates a close interrelatedness between selected variables and support mission culture as a key element in explaining variance within knowledge creation process. The theoretical model of this study comprises three hypotheses that have been drawn on the basis of three mission culture indexes: strategic direction (SDI), goals & objectives (GOB) and vision (VIS). In terms of strategic direction and knowledge creation process, the relevant literature ascertained a direct positive link between strategic decisions and knowledge structures and activities (Kasten, 2006).

Figure 1: Hypothetical Model



In his argument, Kasten theorised that the specific guidelines of knowledge strategy explicitly support the process of organisational manipulation of knowledge (Kasten, 2006, p.11). In other words, a systematic knowledge management strategy can be implemented to support the organisation's long-term business strategy (Salisbury, 2003). Therefore, a well aligned strategic direction complements what knowledge to develop in the organisation (Bryson, 2010 and Nonaka, 1994). In particular, strategic direction should not be perceived merely as an object, but it should be shared one as top leadership has to ascertain its good fit with organisations' members to enhance

the commitment and motivation toward attaining higher order goals (Bogler, 2001). The following hypothesis (H1) can be drawn:

H1: *Organisational strategic direction has a positive impact on knowledge creation process in banks.*

The underlying literature also supports possible inter-correlation between goals & objectives and knowledge creation performance. For example, Kao et al. (2011) reported that, both goal-driven (e.g. defined goal) and goal-free (e.g. directed thinking behaviour) likely to be favourable for knowledge creation. Mitchell et al., (2009) hypothesised that the goal cooperativeness between team members positively support knowledge creation process in teams. Thus, following hypothesis (H2) can be proposed:

H2: *Goals & objectives have a positive impact on knowledge creation process in banks.*

Nonaka et al., (2001) has identified five enablers of knowledge creation process namely; vision, strategy, goals& objective, structure, and system. More specifically, developing a knowledge strategy for any organisation typically initiate with the re-configuring the organisation's vision and mission and the associated strategic direction and goals and objectives (Salisbury, 2003). It noted that, a knowledge vision is a working premise for knowledge (Nonaka et al., 2001). Therefore, organisational knowledge vision is now considered as a primary antecedent of creating a knowledge organisation (Al-Ali, 2003). A paradigm shift at the strategic level e.g. organisational vision and philosophy may be necessary for harnessing relationship between vision, leadership conduct, and the individuals' workplace efficacy, work climate and organisation (Barrett & O'Connell, 2001). In other words, vision and visionary leadership create a sense of motivation that not only invigorates employee satisfaction, but also corroborate the creation of new ideas (Kantabutra, 2009). Specifically, knowledge workers share organisation vision as a 'schema' (Kotter, 1982) or regard this as a 'course of action' by considering what needs to be achieved (Baum and Rowley, 2002). An implication of this proposition is that the workers need to be encouraged so that they can grow in terms of their expertise and experience, and thoroughly sustain in order to explore new ideas (Auernhammer, 2013). Therefore, knowledge vision or 'vision assimilation' turned into an integral part of the strategic choice of the firms that determine the purpose of existence and gives a direction to the process of knowledge creation (Bratianu, 2010). Thus, the following hypothesis (H3) can also be suggested:

H3: *Organisational vision has a positive impact on knowledge creation process in banks.*

RESEARCH METHODS

Data Collection:

The sample was randomly drawn from the 50 branches of three knowledge-intensive commercial banks in Karachi. For this purpose, the employee contact lists received from the human resource managers of each bank used as a sampling frame from which a sample was drawn. The quantitative data was collected in two phases. Firstly, the initial draft of questionnaire was emailed to 75 respondents in three banks before final data collection. A total of 29 completed surveys received within period of two months that were used to measure the composite reliability and co-efficient alpha values. The reliability test in SPSS generated consistent result thus confirmed the internal consistency within items. Secondly, the final questionnaire survey was conducted electronically and personally in the 50 branches of the three banks, in Karachi. A total of 300 online surveys were emailed to employees in each of three banks. For this purpose, the HTML generated link of online survey was randomly sent to middle and upper level employees at their email addresses. However, a total of 235 paper-based surveys were randomly distributed in the 50 branches of 03 banks during field work, in Karachi. Of the 535 questionnaires distributed, 346 completed questionnaires were received, representing a response rate of 64.6 percent.

Measures:

In this study, items used to operationalise the constructs were borrowed from published studies and modified according to the banking context in Pakistan. All items were measured using a five-point Likert scale and all constructs were measured with multiple items. For the measurement of mission culture, the five-point Likert scale consists of three indexes: strategic direction, goals and objective and vision taken from Denison et al. (2006). However, the knowledge creation process measured with the SECI model based on four knowledge creation cyclical process namely: socialisation, externalisation, combination, and internalisation. The twenty-four items knowledge creation scale taken from published research of Song et al. (2011). Before hypothesis testing, reliability of the scale was established. The result of the coefficient alpha (α) values of each dimension in mission culture i.e. α (strategic direction) = 0.812, α (goals & objectives) = 0.691 and α (vision) = 0.908 and the composite reliability of mission culture ($\alpha = 0.915$) were higher than the suggested minimum threshold limit of 0.7. Also, the coefficient alpha (α) values of each index in knowledge creation scale α (socialisation) = 0.849, α (externalisation) = 0.865, α (combination) = 0.802 and α (internalisation) = 0.749 and the composite reliability of knowledge creation ($\alpha = 0.884$) were higher than the suggested minimum threshold limit of 0.70 (Baker et al., 2002).

Table 1: Model Fit based on H1

Absolute Fit Indices

Chi-square = 479.532
 Degrees of freedom = 227
 Ratio of χ^2 to df = 2.11
 Browne Cudeck Criterion = 718.859
 Root Mean Square Residual = 0.092

Comparative Fit Indices

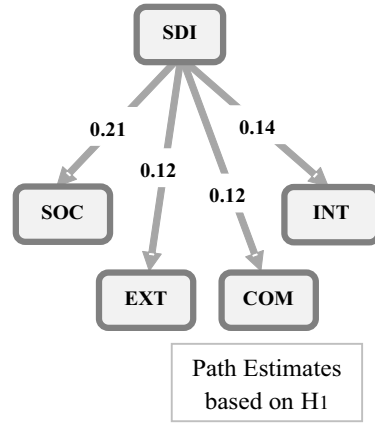
Comparative Fit Index = 0.885
 Tucker –Lewis Index = 0.861
 Incremental Fit Index = 0.888
 Normed Fit Index = 0.807
^aRelative Non -Centrality Fit Index = 0.765

Predictive Fit Indices

Akaike Information Criterion = 673.532
 Expected Cross -Validation Index = 5.103

^b Parsimonious Fit Indices

Parsimony -Adjusted – NFI = 0.663
 Parsimony -Adjusted – CFI = 0.728



Path	Gamma (γ)	^c t – value	^d p – value	Result
SOC ← SDI	0.21	1.47	.013	Not Supported
EXT ← SDI	0.12	1.40	.159	
COM ← SDI	0.12	1.51	.129	
INT ← SDI	0.14	1.70	.089	

^aSimilar to CFI but can be negative.

^b Very sensitive to model size.

^c $t > 1.96$ ----- ^d $p < 0.05$

Source: Hu and Bentler (1999), Browne et al. (1993), Carmines and McIver (1981)

FINDINGS AND ANALYSIS

Hypothesis H1 – Strategic Direction and Knowledge Creation Process:

As indicated, hypothesis H1 based on the assumption that, the strategic direction may be a factor of employee knowledge creation process in Pakistan banks. This over-identified model contains 406 data points and 109 parameters to be estimated with 227 degrees of freedom. Table 2 summarises the standardised estimates under standardised regression weights and estimated values of squared multiple correlations (R^2). The measurement portion of the model is relatively good (Bentler and Yuan, 1999). For example, SOC1 (.86), EXT2 (.86), COM4 (.87), INT4 (.83) and SDI2 (.91) represent the highest standardised regression weights. In contrast, SOC4 (.80), EXT7 (.79), COM6 (.75), INT3 (.68) and SDI4 (.74) has a lowest regression weights. In addition, R^2 value analogous to the regression weight of each observed variable also indicates the acceptable portion of the variance within a respective factor.

For example, INT explain 33.6% ($INT6 \ INT = .582$) of variation in INT6. In general,

all of the regression weights are significant enough thus each of survey items tapping information on their respective value dimension.

Table 2: Standardised Regression Weights and Squared Multiple Correlations (R²)

Path	Regression Weights	Observed Variable	R ² / SMC
SDI1 ← SDI	.82	SDI1	.68
SDI2 ← SDI	.95	SDI2	.91
SDI3 ← SDI	.90	SDI3	.82
SDI4 ← SDI	.74	SDI4	.54
SOC1 ← SOC	.86	SOC1	.74
SOC2 ← SOC	.82	SOC2	.68
SOC3 ← SOC	.81	SOC3	.66
SOC4 ← SOC	.80	SOC4	.64
SOC5 ← SOC	.80	SOC5	.65
EXT1 ← EXT	.82	EXT1	.68
EXT2 ← EXT	.85	EXT2	.73
EXT3 ← EXT	.84	EXT3	.71
EXT5 ← EXT	.81	EXT5	.66
EXT7 ← EXT	.79	EXT7	.62
COM1 ← COM	.79	COM1	.63
COM2 ← COM	.80	COM2	.64
COM4 ← COM	.86	COM4	.75
COM5 ← COM	.80	COM5	.65
COM6 ← COM	.75	COM6	.56
INT1 ← INT	.82	INT1	.68
INT2 ← INT	.76	INT2	.58
INT4 ← INT	.82	INT3	.68
INT6 ← INT	.76	INT4	.58
INT7 ← INT	.68	INT7	.46

Independent Variable: SDI = Strategic Direction

Dependent Variable: SOC = Socialisation, EXT = Externalisation, COM =

Combination and INT = Internalisation

Table 1 shows the model fit results of hypothesised model H1. The chi-squared statistic shows no discrepancy from the perfect fit at the 5% significance level. It found that the chi-square value ($\chi^2 = 479.532$) indicates that this model fits the data perfectly in the population at probability level (p-value) less than 0.05. Also, the ratio of chi-square to degree of freedom ($\chi^2/df = 479.532 / 227 = 2.11$) indicates that the model is statistically significant at $p < .000$. The results of absolute fit indices i.e. BCC = 718.859 and RMSEA = .077 also provided a marginally acceptable fit for the hypothesised model. The comparative fit statistics demonstrated a good fit in all aspects as the estimated values i.e. CFI = .885, TLI = .861, IFI = .888, NFI = .807 and RFI = .765 hanged behind the threshold limit. However, two predictive fit indices, AIC = 673.532 and ECVI = 5.103 also demonstrated a good fit to the data. Table 5.32 also presented two parsimonious fit indices results. It found that the PNFI = .663 and PCFI = .728 indicated that the hypothesised model fits the data well.

Hypothesis H1 Result:

The structural relationship shows the exogenous (independent) and endogenous (dependent) variables. In this path analysis model, arrows go out of exogenous variable (SDI) and go into four endogenous variables (SOC, EXT, COM, and INT). As shown, the structural relationship between strategic direction and four knowledge creation modes is not significant at p-value less than 0.05. The χ^2 statistic for model fit reveals that the model is a good fit to the data; however, null hypothesis might not be rejected. Therefore, the structural relationship between mission culture index and knowledge creation process is not significant. For example, the impact of strategic direction on four knowledge creation modes (SOC SDI: $\gamma = 0.21$, $t = 1.477$, $p\text{-value} = 0.013$), (EXT SDI: $\gamma = 0.12$, $t = 1.408$, $p\text{-value} = 0.159$), (COM SDI: $\gamma = 0.12$, $t = 1.517$, $p\text{-value} = 0.129$) and (INT SDI: $\gamma = 0.14$, $t = 1.700$, $p\text{-value} = 0.089$) found to be insignificant.

Hypothesis H2 – Goals & Objectives and Knowledge Creation Process:

As indicated, hypothesis H2 based on the assumption that the goals & objectives may be a factor of employee knowledge creation process within the context of banks in Pakistan. Table 3 shows the model fit results of hypothesised model H2. In case of this model, the chi-squared statistic shows no discrepancy from the perfect fit at the 5% significance level. It found that the chi-square value ($\chi^2 = 395.623$) fits with the data in the population at $*p < 0.05$. In the similar vein, a ratio of chi-square to degree of freedom ($\chi^2/df = 395.623 / 229 = 1.727$) also indicates that the model is statistically significant at $*p < .000$. Additionally, the results of absolute fit indices, i.e. BCC = 630.016 and RMSEA = .074 also provided a marginally acceptable fit for the hypothesised model. The comparative fit statistics demonstrated a good fit in all aspects as the estimated values i.e. CFI = .917, TLI = .900, IFI = .919, NFI = .826 and RFI = .790 hanged behind the threshold limit. However, two predictive fit indices, AIC = 585.623 and ECVI = 4.437 also demonstrated a good fit to the data. Table 4 also presented two parsimonious fit indices results. It found that the PNFI = .685 and PCFI = .761 indicated that the hypothesised model fits the data well.

Table 3: Model Fit based on H2

Absolute Fit Indices

$\chi^2 = 395.623$
 $df = 229$
 $\chi^2 / df = 1.727$
 BCC = 630.016
 RMSR = 0.074

Comparative Fit Indices

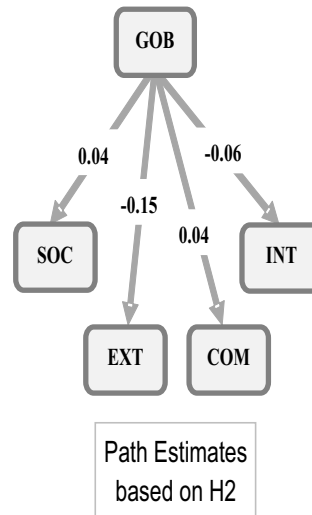
CFI = 0.917
 TLI = 0.900
 IFI = 0.919
 NFI = 0.826
 *RFI = 0.790

Predictive Fit Indices

AIC = 585.623
 ECVI = 4.437

^b Parsimonious Fit Indices

PNFI = 0.685
 PCFI = 0.761



Path	Gamma (γ)	^c t - value	^d p - value	Result
SOC ← GOB	0.04	0.45	.652	
EXT ← GOB	-0.15	1.670	.095	Not
COM ← GOB	0.04	0.584	.559	Supported
INT ← GOB	-0.06	0.766	.444	

Hypothesis H2 Result:

The structural relationship between goals and objectives and knowledge creation process is not supported at $p\text{-value} < 0.05$. The χ^2 statistic for model fit reveals that the model is a good fit to the data; however, null hypothesis might not be rejected. In addition, the organisational culture factor had no significant impact on knowledge creation process. The impact of goals and objectives on four knowledge creation modes (SOC GOB: $\gamma = 0.04$, $t = 0.450$, $p\text{-value} = 0.652$), (EXT GOB: $\gamma = -0.15$, $t = -1.670$, $p\text{-value} = 0.095$), (COM GOB: $\gamma = 0.04$, $t = 0.584$, $p\text{-value} = 0.559$) and (INT GOB: $\gamma = -0.06$, $t = -0.766$, $p\text{-value} = 0.444$) found to be insignificant.

Hypothesis H3– Organisational Vision & Knowledge Creation Process:

Table 4 shows the model fit results of hypothesised model H3. The chi-square statistic

showed no discrepancy from the perfect fit at the 5% significance level. It found that the chi-square value ($\chi^2 = 576.961$) indicates that this model fits the data perfectly in the population at probability level (p-value) less than 0.05. Also, a ratio of chi-square to degree of freedom ($\chi^2/df = 576.961 / 235 = 2.455$) indicates the statistical significance of the model at $p < .000$. The results of absolute fit indices, i.e. BCC = 796.550 and RMSEA = .078 also provided a marginally acceptable fit for the hypothesised model. The comparative fit statistics demonstrated a good fit in all aspects as the estimated values, i.e. CFI = .844, TLI = .801, IFI = .848, NFI = .768 and RFI = .704 hanged behind the threshold limit. However, two predictive fit indices, AIC = 754.961 and ECVI = 5.719 also demonstrated a good fit to the data. Table 5.36 also presented two parsimonious fit indices results. It found that the PNFI = .602 and PCFI = .661 indicated that the hypothesised model fits the data well.

Table 4: Model Fit based on H3

Absolute Fit Indices

$\chi^2 = 576.961$
 $df = 235$
 $\chi^2 / df = 2.455$
 BCC = 796.550
 RMSR = 0.078

Comparative Fit Indices

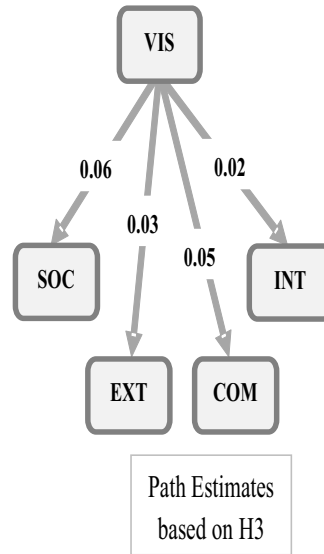
CFI = 0.844
 TLI = 0.801
 IFI = 0.848
 NFI = 0.768
 *RFI = 0.704

Predictive Fit Indices

AIC = 754.961
 ECVI = 5.719

Parsimonious Fit Indices

PNFI = 0.602
 PCFI = 0.661



Path	Gamma (γ)	^c t – value	^d p – value	Result
SOC ← VIS	0.06	0.763	.445	
EXT ← VIS	0.03	0.352	.725	Not Supported
COM ← VIS	0.05	0.652	.514	
INT ← VIS	0.02	0.194	.846	

Hypothesis H3 Result:

The structural relationship between organisational vision and four knowledge creation modes is not significant at p -value < 0.05 . The χ^2 statistic for model fit reveals that the model is a good fit; however, null hypothesis cannot be rejected. In addition, the organisational culture factor had no significant impact on knowledge creation process. The impact of organisational vision on four knowledge creation process (SOC VIS: $\gamma = 0.06$, $t = 0.763$, p -value = 0.445, (EXT VIS: $\gamma = 0.03$, $t = 0.352$, p -value = 0.725, (COM VIS: $\gamma = 0.05$, $t = 0.652$, p -value = 0.514 and (INT VIS: $\gamma = 0.02$, $t = 0.194$, p -value = 0.846) does not found significant.

DISCUSSION

In terms of the three mission culture indexes, the empirical relationship between strategic direction, goals and objectives, and vision and knowledge creation process found to be insignificant and negative in the Pakistani banks. The hypothesis testing result during the structural equation modelling indicated that the significance level is more than error level. The H_0 in case of all three indexes cannot be rejected at 95% confidence level so the researcher cannot confirm the hypotheses (H1, H2 and H3). This result does not support Mojibi et al. (2013) argument that the mission culture gives a clear view of the organisation in terms of knowledge creation and transfer strategy. In addition, the negative relationship between the strategic direction and the knowledge creation in Pakistani banks has pointed out several factors that may help to explain this unexpected result. For example, the researcher can infer that banking staff in Pakistani banks are unclear about their goals which are either unrealistic or unmatched with organisational goals. The findings are not same as Zack (2002) which asserts that the knowledge as part of competitive business strategy may help organizations to link knowledge processes, technologies and organisational structure with short-term goals & objectives in order to accomplish tasks and activities. In case of banks in Pakistan, the finding indicated that the senior management either failed to convey the knowledge vision to their employees or do not pursue knowledge management as a separate corporate strategy. The missing element of knowledge in the mission statements means that there is no widespread agreement about knowledge goals in the current banking knowledge strategy. In other words, a lack of distinct knowledge strategies, absence of specified knowledge goals, unclear knowledge vision, and dealing knowledge management as part of human resource strategy that support the process of managing tacit and explicit knowledge, and brought changes in the organisational culture, cultural values and employee beliefs thus far not used to obtain acclaimed benefits of knowledge creation and transfer in the Pakistani banks. Furthermore, the findings implies that the connection between knowledge management and business strategy was either ignored or overlooked in practice. The disintegration between knowledge management and business strategy further pointed out that the present banking mission statements do not uphold the activities of working staff with core knowledge management systems

and procedures that create and exploit knowledge. In spite of the recent technological and organisational initiatives to fulfil unique information needs of bank employees through effective knowledge management system implementation, the mission statements of the banks do not integrate into a rational practice or set of practices with mental activities, strategic activities and tacit knowledge that do not necessarily produce positive results in terms of new knowledge creation and transfer between employees (Bryson, 2011). Altogether, from the foregoing analysis throughout the structural equation model analysis, results have revealed that the absence of banking knowledge strategy doesn't mean that the knowledge creation process in the banks is not supported. However, the SECI process in the Pakistani banks looked to be a realistic route through training programs, workshops, employee involvement in deciding goals and objectives, creating communities of practice, encouraging knowledge sharing during formal and informal discussion and providing time and space for practicing knowledge creation, management, and transfer activities.

In terms of national culture, Pakistani is a country with high power distance, high uncertainty avoidance, and low individualism (Hofstede, 2006). Due to the features of collectivist society, employees are often encouraged to share ideas but have no authority to implement. As a result, decision making resides within the hands of senior hierarchy (Khilji, 2003). In spite of corporate sector restructuring in response to globalization, power distance mindset is a dominant factor in the Pakistani organisations. However, in order to utilize the knowledge (i.e. explicit and tacit) resources that embraces the enlargement of all human choices e.g. economic, socioeconomic, political, and cultural, the mission culture of the organisation can be used to brought noteworthy changes to the work-related values of public and private sector organisations, in Pakistan.

PRACTICAL IMPLICATION

In the case of Pakistani banks, a lack of a distinct knowledge management strategy, knowledge goals and organisational vision that could support the employee's belief of managing knowledge in a routine job is unable to provide associated benefits of knowledge creation and transfer. Therefore, it can be categorically recommended that the banks should clearly outline the knowledge management goals so that the working staff can take the appropriate benefit of the knowledge management process through knowledge creation, transfer and use.

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