

THE STUDY OF RELATIONSHIP BETWEEN ORGANIZATION'S FORGETTING AND INNOVATION IN KESHAVARZI AND TEJARAT BANK BRANCHES IN SANADAJ

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ABSTRACT

The purpose of present research is to study the relationship between organizational forgetting and organizational innovation. The method of research is descriptive-correlation and in terms of purpose is application one. The personnel of branches of Keshavarzi and Tejarat banks of Sanandaj Township composed the statistical society of this research that 170 persons were selected as statistical sample by using of random-stratified sampling method. Organizational forgetting questionnaire relied on organizational forgetting model of Halon-Philips (2004) and organizational innovation questionnaire relied on model of Camison-Lopez (2014) were used to evaluate the basic concepts of research. The stability values of the questionnaires calculated by Cronbach's alpha method equal 0.728 and 0.810 respectively. Test validity was also formally confirmed. Descriptive statistics and inferential statistics (Kolmogorov-Smirnov test and correlation coefficients) and spss21 software were used in order to analyze the data. Final findings of research indicate the existence of a meaningful relationship between organizational forgetting and its dimension (including being purposeful and being random) with organizational innovation. Purposeful forgetting has a direct relationship with organizational innovation and random forgetting has an inverse relationship with organizational innovation.

Keywords: Organizational Learning, Organizational Innovation, Organizational Forgetting, Purposeful Forgetting, Random Forgetting, Branches of Keshavarzi and Tejarat Banks

INTRODUCTION

Nowadays, the changes and developments of technology causes transformation of competitive environment in the organizations, makes challenge and consequently creates new opportunities. The companies therefore need new strategies (Choopani *et al.*, 2012, in Persian). One of the most appropriate strategies is concentration on intellectual capital and people's knowledge. At result, knowledge management is a necessary factor for successfulness. One of the most important challenges of new age which managers encounter is this problem that they realize what knowledge is useful for organization and must try to earn it and what knowledge is useless and must be forgotten. In past decades, most of organizations selected the strategy of rebuilding and again engineering in reply to environmental challenges and changes (Bakhsh *et al.*, 2014, in Persian). But now the previous approaches and solutions are further missed their own ability and power for opposing to organizations challenges and external environment and they had better be replaced with new approaches and viewpoints (Sadeghian *et al.*, 2012, in Persian, p. 104). The great efforts have been performed by many organizations for encouraging people toward creativity and innovation (Aghadavoud *et al.*, 2010, in Persian). Creativity and innovation are the requisites and prologues of development and progression and sublimation of an organization or society and; awareness about its techniques and arts is an unavoidable necessity for managers, students, researchers and people interested in this field (Schien *et al.*, 2009). Innovation is accounted as one of the main advantages for firms' life. Appearance of knowledge innovation not only enables the organizations to earn competitive advantages than competitors, but also present useful tools for promoting organization performance (Armbruster *et al.*, 2008). In fact, managers and organizational politicians have found that

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successful innovation is knowledge-oriented innovation. Knowledge innovation means making, developing, transforming and applying the new thoughts in the format of sellable goods and services which causes organizations successfulness, economy validity of a nation and progression and preferment of a society (Brachet *et al.*, 2009). The organizations must can firstly obtain modern knowledge that this part is said organizational learning and secondly, in some occasions the organizations must can consciously put aside organizational knowledge and replace a new knowledge that this part is organizational forgetting (Fernandez *et al.*, 2009). On Holan and Philips viewpoints, organizational forgetting means voluntarily or involuntarily missing of organizational knowledge. More complete of organizational forgetting on viewpoint of these two authors is: missing voluntarily or non-voluntarily of organizational knowledge which can result in changing in organization abilities (Moshabbaki *et al.*, 2012, in Persian). Organizational forgetting in most times forces much costs on the organization and many of countries of world spend annually much sums for gaining knowledge and information. The researchers [such as Hosseini *et al.*, 2013, in Persian; Moshabbaki *et al.*, 2012, in Persian; Tohidi *et al.*, 2012; Martin *et al.*, 2012; and Cheng *et al.*, 2012] expressed in their own researches that organizational forgetting is the ability of elimination and forgetting obsolete olden knowledge to create a new space in order to gain new knowledge and; organizational forgetting has this ability that adds a new and important dimension to our perception of mobility of organizational knowledge and; acceptance a system of planning the resources most largely depends to the processes of organizational forgetting and learning. In fact, in addition to laying emphasis on learning and preserving knowledge, the ability about forgetting is also important equally (Salavati *et al.*, 2013, in Persian). Therefore, the purpose of present research is to study the relationship between organizational forgetting and organizational innovation in the branches of Keshavarzi and Tejarat banks of Sanandaj Township.

MATERIALS AND METHODS

Research Methodology

The method of present research is descriptive-correlation and it is application in terms of purpose. The statistical society of this research includes the personnel of branches of Keshavarzi and Tejarat banks of Sanandaj Township numbered 314 persons that 170 persons were selected as statistical sample by using of stratified-random sampling method.

For evaluating the basic concepts of research, two standard questionnaires, Holan-Philips organizational forgetting questionnaire (2004) with 17 questions (9 questions related to being purposeful and 8 questions related to being random of organizational forgetting) and Camison-Lopez organizational innovation questionnaire (2014) including 16 questions and four dimensions (product, behavior, process and strategy) were applied.

Questionnaires stability calculated by Cronbach's alpha method for two mentioned variables equals 0.728 and 0.810 respectively. Test validity was also confirmed formally. Descriptive statistics, inferential statistics (Kolmogorov Smirnov test and correlation coefficients) and Spss21 software were used in order to analyze the data.

RESULTS AND DISCUSSION

Research Findings

Based on the descriptive results of research, among 170 persons participating in research, %85 (142 persons) were men and %15 (28 persons) were women.

Over %42 are B.S graduates, and %45 (78 persons) are in age-domain of 35-40 years. Pearson's correlation coefficient was used in order to study the relationship between purposeful organizational forgetting and organizational innovation in the branches of Keshavarzi and Tejarat banks of Sanandaj Township.

As seen in table 1, the obtained Pearson's correlation coefficient equals 0.764 expressing there is a positive meaningful relationship between purposeful organizational forgetting and organizational innovation in the branches of Keshavarzi and Tejarat banks of Sanandaj Township.

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Table 1: Studying the correlation between purposeful organizational forgetting and organizational innovation

	Researched Hypothesis	Coefficient	sig	Number
Hypothesis 1	Identifying the scale of relationship between purposeful organizational forgetting and organizational innovation	0.764	0.002	170

Pearson's correlation coefficient was also used in order to study the relationship between purposeful random organizational forgetting and organizational innovation in the branches of Keshavarzi and Tejarat banks of Sanandaj Township.

On the base of data of table 2, as seen the obtained Pearson's correlation coefficient equals 0.804 that means there is a positive meaningful relationship between random organizational forgetting and organizational innovation.

Table 2: Studying the correlation coefficient between random organizational forgetting and organizational innovation

	Researched Hypothesis	Coefficient	sig	Number
Hypothesis 2	Identifying the scale of relationship between random organizational forgetting and organizational innovation	0.804	0.004	170

In third hypothesis of research, the scale of impact of variables purposeful and random organizational forgetting on organizational innovation was studied.

The results of table 3 indicate correlation between the variable of organizational forgetting and its dimensions and organizational innovation. As observed, there is a positive meaningful relationship between purposeful organizational forgetting and organizational innovation at confidence level %95 and, there is a negative meaningful relationship between random organizational forgetting and organizational innovation at confidence level %95.

Table 3: Test of correlation coefficient of third hypothesis

Variables Names	Purposeful Forgetting	Organizational	Random Forgetting	Organizational
Organizational Innovation	0.336		-0.234	
Meaningfully Level	0.000		0.000	

Table 4: Summarized regression relevant to third hypothesis

Correlation Coefficient	Co-change Scale	Adjusted Coefficient	Correlation	Estimated Deviation	Standard
0/429 ^a	0.184	0.168		0.45671	

a: Predictor variables, purposeful and random organizational forgetting

According to table 4, it can said that impact intensity of independent variable of organizational forgetting regarding its composing dimensions (purposeful and random) on dependent variable (organizational innovation) equals 0.429 indicating rather intensive correlation between these two variables. Also, according to co-change scale coefficient, it is specified that of any unit of change in dependent variable of organizational innovation, its 0.184 or %18.4 is for independent variable of organizational forgetting (purposeful and random) indicating the scale of subordination of dependent variable to independent variable which is positive in this test.

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Table 5: Common factors in regression equation related to third hypothesis

Variables	Non-standard Common Factors		Standard Common Factors	Statistics T	Meaningfully Value
	B	Standard Deviation	Beta		
Constant Value	2.441	0.164	-	14.839	0.000
Random Organizational Forgetting	0.164	0.048	-0.207	3.435	0.001
Purposeful Organizational Forgetting	0.183	0.047	0.253	3.891	0.001

According to the table of common factors, the impact of random forgetting is inverse, namely %20.7 and; the impact of purposeful forgetting is positive and direct, %25.3 on organizational innovation.

Conversation and Conclusion

Nowadays, progressive growth and development of technology and mobility of external environment makes the banks committed to gain competitive advantage that they must proceed to innovate according to this in planning for realizing long-time goals. One of the most important factors effecting on organizational innovation is organizational forgetting. Therefore, the purpose of present research was to study the relationship between organizational forgetting and organizational innovation in the branches of Keshavarzi and Tejarat banks of Sanandaj Township.

The results obtained from test of first hypothesis showed that there is a meaningful relationship between purposeful organizational forgetting and organizational innovation. The obtained results are co-direction to those of Haji Azizi and his colleagues (2009) and Mahmoudvand (2011). For expressing the obtained results, one can say that if organizational managers facilitate forgetting of unnecessary data and prevent destruction of useful data; and this process be coherently planned, carried out and evaluated; at result the scale of personnel's innovation can be better optimized; if so, organizational forgetting especially purposeful forgetting is effective on competitiveness of an organization.

In second hypothesis, the results obtained from Pearson's correlation coefficient indicated that there is a meaningful relationship between random organizational forgetting and organizational innovation in the branches of Keshavarzi and Tejarat banks of Sanandaj Township. The results of this part of research are co-direction to those of Hesseini and his coworkers (2001) and Tohidi and Jabbari (2012). The obtained results can be inferred so: lack of applying knowledge obtained from learning, lack of motivation needed for sharing knowledge and disability in coding and documenting knowledge cause random forgetting and decrease being competitive of an organization. It takes place in two states: the managers either eliminate purposefully the knowledge which is barrier of doing change in the organization or identify the knowledge which can potentially be harmful and prevent adding it to current knowledge in the organization and in this way prevent creativity and innovation in the organization.

In third hypothesis, this problem was studied that is there difference between the relationships of purposeful and random organizational forgetting with organizational innovation? That obtained results showed that purposeful forgetting has a direct relationship with organizational innovation and, random forgetting has an inverse relationship with it. The obtained results are co-direction with those of Mahmoudvand (2011), Azemi (2008) and Cheng and colleagues (2012). For expressing the obtained results, it can be stated that organizational forgetting can both be traced and followed and taken place as non-planned and non-managed in the organization. In both states, organizational forgetting can result in earning competitive advantage or missing competitive advantage in the organization. Organizational forgetting especially purposeful forgetting is effective on competitiveness of an organization and; in

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general, management of organizational forgetting in both dimensions purposeful and purposeless is an unavoidable subject for increasing organization competitiveness in today high-turbulence environment. Organizational forgetting is sometime harmful for organization and, forgetting the knowledge and skills can sometimes bring the positive effects to organization.

On the other hand, every forgetting isn't useful and in some cases, the organizations have been lost due to put aside a part of knowledge and skills. The question which can be proposed about organizational forgetting is that how much forgetting is affected by structures and processes of information technology? The bank managers are therefore suggested:

1- For increasing innovation, they pay further attention to purposeful forgetting as a helpful factor for purposeful elimination of obsolete olden factors and removing new needs of the organization in the direction of realizing organization purposes.

2- Making the basements of information technology and using modern methods for collecting data can have a worthy share in classifying information and studying about efficiency or inefficiency of them and can prevent unconsciously elimination of knowledge and result in decrement of random forgetting in organization.

3- Bank managers provide the context of making group-work and encourage the personnel to further group corporations. This practice provides both the context of group-work reinforcement in organizational atmosphere and the conditions of sharing knowledge and innovation in the different levels of organization.

4- The management style be led further towards cooperative or team and also flexible management and they transform the organizational structure from mechanical state to flexible and associable and innovator structures. The assignable affairs must be assigned to low levels and the decisions be made as decentralized one. Horizontal low-complication structures facilitate the process of change in the organization and thereby the context of innovation preferment is provided.

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