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Faculty of Graduate Studies

The impact of knowledge management on financial innovation: Palestinian commercial banks a case

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Thesis approval

The impact of Knowledge management on financial innovation: Palestinian commercial banks a case

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Declaration

I am the undersigned Mohammad Younes Saleem Nazzal, holder of ID Card No. (853892107), I declare that, I know that I have been accepted in the Remedial Program for Master's degree in Strategic Planning and Fundraising, and that my acceptance doesn't mean, anyway, that I am accepted in Strategic Planning and Fundraising program.

I am also aware and I confirm that my acceptance in the program of Strategic Planning and Fundraising offered by the Arab American University- Jenin (AAUJ) is fully depends on passing the remedial courses announced in the Strategic Planning and Fundraising program, with average (3) or higher.

Consequently, I declare that the Arab American University - Jenin is not responsible for my failure to meet the admission requirements for the Strategic Planning and Fundraising program.

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Endorsement

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Consequently, I declare that the Arab American University - Jenin is not responsible for my failure to meet the admission requirements for the Strategic Planning and Fundraising program.

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Dedication

I dedicate this letter to a loved one who has gone and still means a lot to me. Although he is no longer of this world, his memories continue to organize my life. First and foremost, to my father, who taught me the value of hard work, sincerity and loyalty. Thank you very much my dear father, I will never forget you. After that, I dedicate this work to my mother who supported me constantly, to my aunts who gave me a lot, to my dear wife Leena who encouraged and supported me in completing my studies, to my son Rayan, to my dear brothers and sisters, to my loyal family and friends.

I thank you all for helping me and motivating me and standing by me in the difficult times I went through, there are not enough words that can express my love and respect for you, I owe you everything, because after God Almighty you made my dream come true.

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Abstract

This study seeks to test knowledge management and its relationship with financial innovation in Palestinian commercial banks. Therefore, the researcher sheds light on the elements of knowledge management (generation, storage, distribution and application of knowledge) to be able to find the relationship between it and financial innovation and the extent of the impact of each factor. Data were collected through previous studies, which indicate the existence of a positive relationship between knowledge management and financial innovation, which in turn positively affects the performance of banks. To complete this goal, a questionnaire was used with a total of 451 responses, where the questionnaire was distributed to bank employees (employee, department head, deputy director, manager) who work in 4 Palestinian commercial banks. Knowledge generation is the most influential factor in financial innovation, and then comes the factor of storage and distribution of knowledge, respectively. On the other hand, the factor of knowledge application was the least influential, knowing that there are positive indicators for all factors, which is consistent with previous studies that were addressed. The study reached the most important recommendations, which aim to enhance the role of knowledge management in banks and strive to develop them in light of strong competition, as knowledge management is closely linked to financial innovation, which in turn increases the banks' products that bring them profit and maintain continuity in competition.

Keywords: Knowledge management, financial innovation, commercial banks, knowledge distribution.

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Chapter One: Introduction

1.1 Background

The importance of knowledge was previously signed through academics and practitioners (Wu & Lin, 2009) (Nurdin, N., & Yusuf, K, 2020). Currently, knowledge plays an important role in modern enterprises as business processes are more complex and dynamic (Rahimi et al., 2017). Knowledge management is critical for organizations to enhance competitive advantage (Huang et al., 2011). Knowledge management is also an important strategy for maintaining institutions at the present time, as these institutions allocate the largest possible amount of resources to manage their knowledge diversity in order to improve the performance of their institutions within the work environment. Most institutions have worked on knowledge management, but few of them use knowledge management on a regular basis. To implement the knowledge management strategy successfully, it is necessary to take into account the characteristics of knowledge management creation, organization, sharing, and application (Omotayo, 2015). In order for organizations to increase the diversity of their experiences, they keep hiring new employees every time, as new employees bring with them their education, experience and previous knowledge, which adds value and diversity to the organization (Bogdanowicz & Bailey, 2002). Knowledge as a resource and technological innovation as a dynamic ability have been considered the main sources of competitive advantage for enterprises, as industrial companies possessing knowledge and an equal amount of technology, competitive success comes from innovations in continuous technology (Martín-de Castro, 2015).

The main goal of innovation is to create value for business, and since we live today in an era of competition and technological development, innovation forms the basis of business as it provides the opportunity to produce new services and products. The importance of innovation also comes

from the rapid change in consumers' tastes and needs. Institutions that are able to provide distinguished services and products, are the institutions that possess the fastest innovation so that they are able to keep pace with market requirements and customer needs, which in turn is considered as a competitive advantage added to the institution (Akram et al.,2020).

1.2 Research Problem:

Nowadays many organizations and firms believe that knowledge is the most important wealth of their organizations but usually in action they do not rely on it (Hamdoun et al., 2018). One of the most important reasons is that organizations usually do not know that how do they use the knowledge. However, there are many approaches and models in knowledge management; the effectiveness of each model depends on the organizational situations (Mahdi et al., 2019). One of the important issues for Palestinian banks is to maintain competitiveness by using their innovative capabilities. Knowledge management influences on innovation but searching in literature shows a lack of empirical research on this field. Especially in Palestinian banks there is no research indicate the relationship between knowledge management and financial innovation. To fill this gap, this research tries to shed light on the relationship between knowledge management and financial innovation in Palestinian banks.

The importance of the study lies in the fact that previous studies did not address the Palestinian banks' taking in a comprehensive study to research knowledge management and its relationship to financial innovation, which draws the researcher's attention to the study in the subject, especially that the demand for Palestinian banks is constantly increasing and we need to develop financial products to keep pace with these needs. Previous studies have taken the knowledge management factor to study it with other factors such as innovation performance, innovation in higher

education, competitive advantage and capacity competitiveness. Financial innovation was not taken specifically in banks operating in Palestine .

This study dealt with the elements of knowledge management, which are collection, storage, distribution, and application. By focusing on these elements, we can determine which of them significantly affect financial innovation so that we can focus on it, and which are less influential, which helps us in developing it. In this case, the importance of this study lies in helping decision-making in Palestinian banks.

Therefore, the study problem can be summarized in the importance of knowing the extent to which Palestinian banks apply knowledge management in order to strive to achieve financial innovation, which in turn achieves a competitive advantage among banks and increases profitability in general, and how to measure the extent to which banks apply knowledge management and which banks have better financial innovation, and at the end it will be provide recommendations to be followed to maintain competitive advantage through knowledge management and financial innovation.

1.3 Research Objectives

This research seeks to clarify the impact of knowledge management in innovation, and to identify the drivers for application of knowledge management in innovation. It also details the nature of the role of knowledge management in innovation and we take the Palestinian banks in specific that are in West Bank area. The researcher did that by the following objectives:

1- To measure the degree of knowledge management in Palestinian banks.

2- To measure the effect of knowledge generation on financial innovation.

3- To measure the effect of knowledge storage on financial innovation.

4- To measure the effect of knowledge distribution on financial innovation.

5- To measure the effect of knowledge application on financial innovation.

6- To provide recommendation to the decision makers concerning enhancing the financial innovation in the Palestinian banks.

7- To examine the impact of knowledge goal on innovations.

1.4 Significant of the Study:

Previous studies that talked about knowledge management and its relationship to financial innovation are lack especially for banks operating in Palestine, and this study deals with the characteristics of knowledge management and the relationship of each one of them to financial innovation, which gives the possibility to study the impact of these elements and determine their importance, which in turn shows us the strengths and weaknesses of the banks operating in Palestine. This study also present suggestions and recommendations that benefit in implementing knowledge management in Palestinian banks. Therefore, this topic was specially chosen to be able to improve the level of financial innovation, which is reflected in the level of new services that will be provided to clients.

Here, the researcher clarifies some previous studies related to knowledge management and its relationship to innovation in general.

The continuously increasing pressure of competition and global markets is forcing organizations to become more innovative, with a view to increasing overall competitiveness. Innovation is one of the major outcomes of effective knowledge management. This study emphasizes the importance of knowledge management and links it with innovation. The review

of the literature has shown there is a clear link between knowledge management and innovation. (Rahimi et al., 2017) Furthermore, knowledge activities like knowledge gathering, managing, sharing, learning, reuse and retrieval play important role in bringing innovation. That is, there is a strong relationship between knowledge management and innovation in institutions, and this supports the basic hypothesis of the study.

Knowledge management and innovation are often defined as the key drivers for improvement of organizational performance. Ngoc-Tan, N., & Gregar, A, (2018) found that KM comprehensively impacts technical innovation in academic settings and that not all components of KM are directly associated with administrative innovation. Besides enriching the literatures on this rapport, this study is also of value in managerial perspective as it helps increase higher education institutions' knowledge on how to boost their organizational innovativeness, and then enhance performance by engaging in KM activities. (Ngoc-Tan, N., & Gregar, A, 2018). Therefore, the previous study is consistent with this study that knowledge management helps in innovation in institutions, and these influences can be measured on banking institutions operating in Palestine.

The importance of the study lies in the absence of previous studies specialized in knowledge management and its relationship to financial innovation in Palestinian banks, which calls for shedding light on this topic in order to help decision makers in senior management achieve financial innovation and increase the competitive advantage of Palestinian banks, which affects the quality and multiplicity of financial services provided to customers, and this theory was reached through previous studies that talked about knowledge management and its relationship to innovation in general, where the study of (Rahimi et al., 2017). Indicated which showed that the constantly increasing pressure of competition and the openness of global markets

forced institutions to become more innovative in order to maintain their level in the market, and on the other hand, the study of (Ngoc-Tan, N., & Gregar, A, 2018) indicated that knowledge management and innovation in the educational field are the main motive for improving organizational performance and that knowledge management is directly linked to administrative innovation, so that it helps increase the knowledge of higher education institutions about how to enhance their organizational innovations, as the study of (Nurdin, N., & Yusuf, K, 2020) showed that the weakness of knowledge management In banks that leads to the failure of the commercial process, as nearly 60% of the banks fail it has employees and board members who lack managerial banking knowledge.

Based on these studies, it is important to shed light on the Palestinian banking sector as it forms part of the wheel of the Palestinian economy, and since banking services are in continuous development due to the acceleration of development in information technology on the one hand and the increasing requirements of customers on the other hand, it has become a duty for Palestinian banks to follow sophisticated models of knowledge management and to search for new financial innovations to meet the requirements of the Palestinian market and satisfy the desires of customers in order to remain in the forefront and to maintain its continuity and competitive advantage in the Palestinian market, and to be supportive to the economy and the development of industries.

1.5 Research Hypotheses

Hypotheses of the study are stated in form of one primary hypothesis and 4 secondary hypotheses.

Main hypotheses: There is no statically significant impact of knowledge management on financial innovation in Palestinian banks.

Sub hypotheses:

H01: There is no statically significant impact of knowledge generation on financial innovation.

H02: There is no statically significant impact of knowledge storage on financial innovation.

H03: There is no statically significant impact of knowledge distribution on financial innovation.

H04: There is no statically significant impact of knowledge application on financial innovation.

Chapter Two: Literature Review

2.1 Theoretical Framework

2.1.1 Knowledge Management

Knowledge management has been defined as the organizational process that aims to create a central source of knowledge within the organization so that it acquires, distributes, shares retrieves, and reuses the internal, external, explicit, and tacit to bring innovation to the organization in the form of a product or service (Mihály, 1962). Becerra-Fernandez and Sabherwal (2014) defined Knowledge management (KM) as doing what is needed to get the most out of knowledge resources. On the other hand, (Becerra-Fernandez et al. 2004) define the Knowledge Management process as the effective sharing of tacit knowledge and effective transfer of explicit knowledge in enhancing organizational performance and innovativeness.

According to Despres & Chauvel (1999), Knowledge management (KM) analyzes the impact of knowledge on the company's efficiency for maximum organizational success. For the sake of learning and reuse of knowledge, organizations employ KM to enhance their efficiencies; this proves that KM is part of the company's learning initiatives. Knowledge is a resource that may be handled well to get more value. However, it is widely agreed that one of the essential advantages of KM is the provision of proper tools for an organization to utilize its knowledge to fulfill its purpose, vision, and objectives.

Mårtensson (2000) claims that knowledge management (KM) may provide a company with an advantage in the market. For businesses, knowledge is information about products, processes, customers, etc. Other scholars define KM as a set of activities that generate knowledge, control the flow of information, and make effective and efficient use of it for a company's long-term

success (McInerney, 2002). KM functions are affected by the culture and structure of an organization. Interpersonal communication within a company is influenced by its organizational structure. The tacit knowledge of employees is codified and stored in the organization's knowledge base to update and make decisions (Wiig, 1997). New techniques for managing knowledge are essential to maintaining the quality of knowledge and KM infrastructure.

For this research, we can define the knowledge management process as the procedures that generate, store, distribute, and collect the knowledge necessary to organize knowledge in organizations to achieve financial innovation and competitive advantage.

2.1.2 Innovation and Financial Innovation

Tufano (2003) explains that innovation has been defined in previous studies in a large and multiple ways. Each time, innovation is determined from a different perspective due to the numerous use of innovation in many aspects of life; it is not limited to technology (Tufano, 2003). In general, innovation can be defined as the ability of humankind to develop through the ability of invention and development (Edwards-Schachter, 2018). The primary goal of innovation is to produce new knowledge that can discover and develop possible solutions for society (Harkema, 2003). Innovation is a practice and process that captures, acquires, manages, and disseminates knowledge to create new knowledge that supports the production and delivery of a distinctive type of product and service (Gloet & Terziovski, 2004).

According to (Laeven et al., 2015), innovation in financial services has been ongoing over the decade. New instruments, technology, and payment channels have aided financial innovation. Digital technology has changed how we save, invest, borrow, and pay for goods. Small businesses may now accept online payments via Stripe & Robinhood, and banks continue to invest in mobile

banking. These advancements have broadened the range of options accessible to consumers, borrowers, and enterprises (Laeven et al., 2015). The word “financial innovation” refers to various improvements to the financial system and equity capital, remittances, and mobile banking (Tufano, 2003). In the financial industry, innovation is described as the development of new financial instruments and the establishment of new financial institutions and markets (Frame & White, 2004). Another alternative is to purchase Islamic securities and other retail-structured assets (Sukuk). Mortgage-backed securities and collateralized debt obligations have evolved due to the shadow banking system (CDOs). Product, process, and institutional innovation are the three types of innovation (Frame & White, 2004). Institutional innovations include new financial institutions such as Capital One, computerized trading platforms such as direct banking, and Charles Schwab. Securitization, derivatives, and mortgages in foreign currencies are examples of innovative goods (Merton, 1992). Process enhancements include the use of the internet and telephone banking.

Within the framework of this study, innovation can be defined as the implementation of a new idea for the institution or market to produce new services or technologies that lead to economic growth and create profits for the institution.

2.1.3 Knowledge Management and Financial Innovation

Scholars have debated the link between Knowledge Management (KM) and technical and financial advancement for a long time (Sekhar & Gudimetla, 2013). According to Sekhar and Gudimetla (2013), the majority of researchers agree that information and the approaches used to manage it are crucial in innovation. In the management of innovation, knowledge management (KM) has evolved as a vital managerial job (Obay, 2014). Knowledge management (KM) is gaining traction as a technique for supporting businesses in detecting knowledge gaps and implementing plans to close them to stimulate organizational innovation. Managers may search for current information

using pre-programmed models based on integrated experience knowledge while evaluating alternative options and promoting new ideas through KM (Obay, 2014). The company's creative efforts were shown to mirror knowledge consumption. Knowledge management (KM) activities such as knowledge acquisition and integration, according to Frame and White (2004), are crucial for knowledge innovation and exploitation. When it comes to innovation, it has been discovered that knowledge acquisition and integration have a more significant impact on the creation of long-term competitive advantages than knowledge consumption. Organizations are better suited to develop new, higher-quality goods and services due to the knowledge acquisition, conversion, and application processes that occur. According to Domeher et al.,2014, knowledge innovation and integration are the cornerstones of developing new commodities and services, KM approaches have an impact on business innovation. Domeher et al.,2014, claim that acquiring new knowledge is intertwined with using and storing previously learned information. According to Chou (2007), knowledge acquisition helps organizations become more effective in their day-to-day operations and increases the level of learning inside the company. Contrary to popular belief, Chou (2007) believes that knowledge growth is critical to an organization's ability to innovate and remain competitive.

KM methods, according to Fostel and Geanakoplos (2016), have been proven to influence administrative and technological developments. They describe knowledge production as improving employees' capacity to transfer internal and external sources into new knowledge. Chukwunulu and Ibenta (2020) emphasize the need to acquire technical skills in financial companies. As a result, new talents will emerge, assisting in enhancing the quality of financial services. They looked at the link between knowledge acquisition and sharing in the context of organizational innovation, using absorptive ability as a moderating variable. According to the

results, knowledge generation influences creativity, with absorptive capability having a role in this connection (Chukwunulu & Ibenta, 2020).

According to Lacker (2006), businesses cannot produce new knowledge unless they include and equip their employees with the required tools. Thus, knowledge creation is considered a two-dimensional process of knowledge innovation carried out by people: the translation of tacit information into explicit knowledge and the emergence of important actors in knowledge innovation, such as individuals and organizations (Lacker, 2006). In addition, new technology or a mix of technologies is launched in response to market demands as part of product innovation (Rogers, 2006). High-quality goods and services are generated in high-tech industrial organizations by integrating and innovating on existing knowledge; this is made possible by gathering and using new knowledge to create new commodities and services (Rogers, 2006). According to Lacker (2006), KM techniques have an impact on organizational innovation, KM processes and organizational innovativeness lead to a rise in administrative and technical innovation. Knowledge management techniques and organizational innovation are partially bridged by organizational creativity (Rogers, 2006).

Rogers (2006) explains that the role of managers' characteristics in KM implementation and technological innovation is critical; however, little research has looked at the effect of managers' demographic characteristics on the relationship between KM functions and product innovation in a practical and precise way (Tonveronachi, 2010). According to Tonveronachi (2010), managerial traits affected KM practices, including other factors like job title, experience, age, and education. Managers' perceptions of KM are impacted by their level of knowledge and position in the company. Knowledge management is strongly linked to organizational innovation. Managers' demographic characteristics influence how they use certain KM features (Fostel & Geanakoplos,

2012). However, whether KM practice is linked to a person's race, age, or ethnicity. Age, education, gender, and position have little impact on information use behavior. According to Fostel and Geanakoplos (2012), the novelty of innovation causes uncertainty, prompting managers to adopt more complicated and diversified problem-solving and decision-making procedures. Managers with a higher degree of education are more likely to be able to gather data that will help them make informed decisions about new technology usage. As a result, it has been suggested that bank managers' demographic characteristics may influence the link between knowledge management and digital financial innovation in commercial banks (Fostel & Geanakoplos, 2012).

(Laeven et al 2015) explain that innovative manufacturing refers to incorporating novel production aspects into the manufacturing process. In other words, innovation is the addition of new methods, techniques, or procedures to the manufacturing process to deliver substantial benefits and advantages to consumers in the form of goods and services. Fintech innovation includes anything from new financial institutions to new financial technology to new financial tools, procedures, instruments, and products. Phone banking, online banking, and other ICT applications are examples of this service. Customers may engage with and communicate more effectively with financial institutions using various modern financial software products, tools, and services. Digital financial innovation, according to Arnaboldi and Rossignoli (2015), is the use of new technologies by financial institutions to improve the efficacy and efficiency of the services they provide to their consumers. They claimed that digital finance is a broad term that encompasses a variety of financial transactions. Payments, remittances, savings and investments, personal financial management, and trade and invoice financing are all considered (Kshetri, 2021). Large corporations, small enterprises, and individuals may benefit from digital financial innovation offerings (Arnaboldi & Rossignoli, 2015).

Digital financial innovation covers risk management, capital market operations, credit scoring, asset securitization, banking system connection, and transaction processing (Mullineux, 1996). Other financial procedures, such as back- and middle-office reporting, customer service, and compliance with the Know Your Customer (KYC) initiative, are also being expanded (Kshetri, 2021). The World Bank emphasizes using the internet to undertake budgetary operations as digital remote technologies provide a variety of advantages, including mobile money, electronic financial transfer, and e-currency card payments. In digital financial services, gaining credit, saving money, and completing transactions using cutting-edge technology like telephones, cards, PCs, and tablets are part of the deal (Kshetri, 2021). Digital financial innovation (DFS), which focuses on using cards, smartphones, PCs, and tablets to execute financial transactions, is beneficial, according to Calomiris (2009). According to financial institutions such as banks, financial innovations have helped them increase their performance and profitability (Calomiris, 2009).

Most Asian commercial banks have considerably improved their financial operations, according to Mullineux (1996), by adopting digital financial innovations into their operations. Palestine banks, according to Calomiris (2009), have benefited from a strong relationship between asset returns and creative financial product developments. Online banking, subprime mortgages, and other digital financial advancements are all included in Mullineux's (1996) research. DFS is a crucial financial solution for boosting financial inclusion since it uses cutting-edge digital platforms and electronic money principles to assist the smooth financial operations.

2.2 Relevant Previous Studies

2.2.1 Knowledge Management

The banking sector, within the global business environment, has accepted the increasing complexity of its operational environment, the evolution of customer needs, increased intensity in competition, varying governmental legislation and a host of environmental factors justify the need for an updated approach. The response to changes finds a firm foundation in using knowledge management to assess and interpret them in an accurate manner. Expanded literature exists on taking an empirical observation on how knowledge management in the business environment can proceed to determine the path taken by banks. Abusweilem & Abualous (2019) observes the presence of knowledge industries tasked with the role of creating ideas as products and using data as the primary raw material. This thought rises on the foundation of recognizing knowledge as the for organizations and individuals as it empowers a sense of clarity in executing all activities. A banking system, according to Abusweilem & Abualous (2019), intending to set up financial inclusion and fintech facilities cannot do so in the absence of substantive knowledge and investigations on the components. The presence of data and information in the absence of business benefit cannot make a lot of sense to banking or any other business entity.

The presence of stakeholders within corporate organizations, more in a banking environment within a fairly conservative environment as the Palestine State, indicates the need for banking executives to develop knowledge in both tacit and explicit manner. Tacit knowledge can manifest as the type of knowledge in organizational stakeholders such as bank directors, executives, employees and shareholders can access through personal interactions. A bank executive can make a trip to Finland and learn the development of knowledge management and financial innovation. From such a corporate or even personal adventure, they may raise recommendations to their banks

leading to eventual absorption. However, tacit knowledge remains complicated in its conversion into corporate or organizational use. Explicit knowledge remains direct, and clearly packaged for its intention. If a bank in Palestine invites the board of another for an explanation of emerging fintech products that type of knowledge fully fits within the realms of explicit knowledge.

The knowledge management concept manifests across the wider corporate sector through elements. Loke, Fakhrorazi, Doktoralina & Lim (2020) observe that while organizations have the responsibility of sticking to the scholarly guideline on elements of knowledge management, they carry the space of customizing them based on their individual contexts. The first element arises through the generation process. Under this component, Loke, Fakhrorazi, Doktoralina & Lim (2020) advise that corporate facilities can use socialization, internalization, combination, and externalization in the process of generating knowledge. The socialization factor arises through interactions that may activate and facilitate the knowledge-sharing process. Internalization can come up through an organization's internal processes such as activating internal training and undergoing extensive reflections. Externalization mainly arises through peer review and taking up guidelines from such external actors as scholars, international bodies, and regulators. The combination absorbs any of the two components leading to a hybrid reality. Prusak (2019) highlights the issue of knowledge management cannot end at the point of generation or extraction. The organization must work towards ensuring its distribution in a manner that will add value to the generation element and ensure that all parties access the knowledge. In the distribution mechanism, the organization identifies the recipients, constructs an analysis on relevance to the work, and ensures it reaches these recipients at the right time and in the right manner (Prusak, 2019). Storage comes up by way of ensuring that the knowledge extracted can remain intact to the very end and if any kind of changes can determine its ultimate value. It dilutes the essence of

knowledge management for organizations to invest resources in extraction, take excessive time to use it and apply it to the point of irrelevance. The application implies the systems that a facility has positioned in place to ensure that the knowledge gets applied as intended and delivers on its expected value.

Institutions need to continuously generate new knowledge in order to meet market requirements according to Nurdin, N., & Yusuf, K. (2020). The process of creating and generating knowledge takes place through many sources such as brainstorming sessions, requirements analysis, and questionnaire. The media, Internet, newspapers and scientific journals can also be used to extract new knowledge, on the other hand. Banks seek to hire new workers with experience in related fields, as the new employee brings knowledge to the institution and aims to improve performance and competitive advantage.

After the knowledge is obtained and considered as valuable to the organization, it is stored as a reference component. Nurdin, N., & Yusuf, K. (2020) also suggested to store the knowledge in an integrated database to facilitate access to it several times by employees in order to solve problems they may face or to improve their knowledge. This leads us to reach the third factor, which is the dissemination of knowledge on both the internal and external levels, and here a great deal of reliance is placed on the technological level available in the bank to transfer knowledge among employees and the extent of employee awareness of using this technology. There have been many means that can be used to spread knowledge, so there are phones, e-mails, the Internet, and even some banks use social media, and all this has led to an increase in the dissemination of knowledge among employees, not at the internal level, but the external level as well. It is worth noting the prevailing and recognized culture internally in the bank, which contributes to the dissemination of knowledge; the researcher found that some banks force senior employees to transfer knowledge to

junior employees through morning meetings, educational emails, cultural publications, and even meetings via video conferencing.

In the end, banks must apply this knowledge to be able to solve problems, make decisions, improve efficiency, support financial innovation, and in some cases, it may require the senior management to seek the assistance of experts or external professional institutions that can participate in conducting trainings for employees or workshops to enable employees to increase knowledge (Nurdin, N., & Yusuf, K. 2020).

The elements of knowledge management further extend to the sub-components that may assist a banking sector influence its performance and activating financial innovation. One, strategy plays out in all the three core elements of KM. In data extraction, banking executives carry the role of determining the most efficient ways of accessing the knowledge and a strategy that will realize the possible forms of investment. No banking executive will want to indulge in activities and processes that place them in a recurring process of errors. In strategy, for example, the bank can commission a data facility to extract data on financial innovation, distribute it among stakeholders and securely store based on the technological resources held by that facility. To that extent, the bank appreciates that it lacks the necessary capacity to extract, distribute and store pieces of commercial knowledge. Palestine can use the services of facilities from advanced technological environments such as the United States for those kinds of functions.

The people factor qualifies as another element that can assist organizations in the wider knowledge management process. Getting the right people to do the job raises the prospects of delivering an effective assignment. Many banking organizations have taken it upon themselves to ensure that they either set up a knowledge management department or bring in experts who can guide the

entire process. The chief executive officer of an organization may not necessarily understand banking processes but they can still succeed in the presence of knowledge management experts. The other end is in the people angle remains to achieve persuasion for the sake of intersection support. A knowledge management initiative will not exercise without the support of a banking CEO. It may not also succeed if shareholders hold a contrary opinion especially when it requires massive investment. It is necessary for an organization to firmly comprehend the people factor before starting a KM activity.

There is scholarly agreement that the broader knowledge management framework in commercial businesses incorporates at least four components. It is impossible to have knowledge management systems in the absence of knowledge creation as observed in (Abbas et al.,2013). The knowledge creation process involves all the steps that a facility, a sector or industry can take in the process of curating new pieces of information and ideas. The knowledge generation theory proceeds to indicate that an individual can or organization can transcend barriers to come up with access to a new context or come up with a different worldview. One such tactic remains documentation of past experiences to interpret them from a present context and determine the most probable new concept. The banking systems in many parts of the world inclusive of Palestine have used past experiences as an analytical stepping stone toward absorbing new approaches and practices (Abbas et al.,2013). The departure of absolute physical bank access to electronic banking and currently onto online and mobile-based transactions is informed by the interpretation of past experiences and using them to pin down the present and the future.

Organizational cultures play a huge role in determining how banks approach knowledge management processes. The attitudes of all stakeholders can determine if a bank will benefit from knowledge assets (Ucar et al., 2017). If the management of a facility fails to set aside resources

that can facilitate the absorption of new knowledge within a banking system, it becomes clear that such a bank stands little or no chance of benefiting from any form of knowledge management. The attitudes taken up by employees directly determine how the bank can go ahead to disseminate knowledge and the speed through which the knowledge taken will be of value to the facility (Nsour & Tayeh, 2018). Sensitization of customers and external stakeholders ropes them into the organizational culture making it possible for everyone to absorb the new knowledge from a common pedestal. It is the work of a banking entity to ensure that the customers understand its intention to use new knowledge as a way of digitizing customer-staff interactions. It is the responsibility of an institution to ensure that suppliers understand how new knowledge on logistics will impact their interactions. Shareholders should also be briefed on the possible benefits present in adopting and managing new forms of knowledge (Nsour & Tayeh, 2018). Investing in knowledge management carries little value if the company does not have an organizational culture promoting it.

Knowledge sharing, knowledge utilization, and business intelligence proceed to form critically important components within the knowledge management space. The knowledge sharing factor can take an industrial angle, an organization-organization perspective, or an internal dimension (Andleeb et al., 2020). Most facilities, especially banks, prefer to start at the internal level by encouraging employees to share vital information or observations with them. The starting point in knowledge sharing begins at the point of having facilities encourage an organizational culture that heavily facilitates the absorption and dissemination of knowledge. The organization can begin at the point of supporting knowledge management sharing training initiatives to allow employees a chance of passing over any kind of information, observations, or opinions they possess (Andleeb et al., 2020). Knowledge utilization, as Abusweilem & Abualous (2019) view it involves the

understanding of the necessary steps required to support knowledge absorption. Many organizations must intentionally invest in creating necessary spaces that can allow them to benefit from new forms of knowledge. The possibility of activating online banking systems without having staffers and users who understand the knowledge can qualify the form of knowledge as one in vain. Business intelligence brings in the techniques, applications, systems, mechanisms, and tactics that can allow businesses to access the most recent and relevant forms of data (Shawaqfeh et al.,2019). The business intelligence elements facilitate data collection, storage, and processing to grant user organizations a clarified and visualized strategic approach (Ucar, Cetin, Senturan & Demiralay, 2017). Business intelligence components visibly work in activating faster decision-making and execution processes.

Tanaji, (2012) had noted the benefits of knowledge management indicating that a scholarly enumeration of the same proceeds to ensure that corporates can intensify efforts to understand the role of knowledge management in organizational progress. Tanaji (2012) proceeds to indicate that the benefits can occur to an individual within an organization and to the organization itself. Individually, most banking employees carry the advantage of getting to understand updated processes, learn from each other and seamlessly apply knowledge integration leading to better levels of performance. At the organizational stage, Tanaji (2012) counts the benefits of amplified efficiency, and improved organizational value as facilities begin to treat knowledge as an asset. Further, it is in knowledge use that organizations tend to embrace radical changes before it gets too late. The most repeated example remains that of financial technology, especially through telecommunication systems. An organization deeply invested in knowledge management will adjust in time before mobile money transfer systems take over the banking industry. Tanaji (2021) extends the scholarly observation to the point of indicating that the comparative framework of old

processes Vis a vis new processes accelerates decision-making processes in banks in a manner that assures upgraded economic value.

The analysis of the Islamic banking system has given pointers to how varied banking facilities can contribute to the growth of strong national banking systems. It is also a mechanism that can provide insight into how individuals can access alternative banking frameworks. (Rusydiana et al.,2022) posit that banking facilities incorporating the Islamic banking system framework must understand the assets and technologies that any financial facilities require as a measure of absorbing knowledge management systems similarly to conventional banking environments. These banks within the Islamic banking sectors should heavily invest in hardware technology. The hardware ensures that the facilities have places of storing data, can access data mining capabilities, and can be used as tools for training staff. The presence of hardware technology is a knowledge management apparatus required in all organizational settings beyond the banking industry. (Rusydiana et al.,2022) assert the need for software ingredients as a strategy for supporting data extraction, processing, and dissemination activities. Knowledge management has task-specific forms of software designed to package and share knowledge. They quote the enterprise knowledge management system as a modern element in knowledge management functions. The Islamic banking system must adapt to the knowledge management steps adopted by the rest of the banking fraternity.

Information technology governance plays a huge role in determining how banks manage knowledge. Awwad & El Khoury (2021) in their investigation of how information technology can influence the performance of banks in Palestine indicate that the collapse of banking facilities over the years activated the need for improved governance strategies and better information reporting mechanisms. With a relatively new banking system in Palestine less than three decades old, the

jury is out there on the need to fully absorb information technology governance systems as a way of catching up with advanced banking environments. The Palestine financial environment lacks an independent national currency making it urgent for banking facilities within the nation to use information technology-driven knowledge management systems as strategies for designing effective operational trajectories. Awwad & El Khoury (2021) assert the gap in establishing effective and active boards of management in Palestine as some of the reasons behind the slow adoption of information technology governance systems within operational processes in the banking sector. The required pathway includes having actors within the corporate governance systems appreciate the need for knowledge management within their banking ranks (Awwad & El Khoury, 2021). It is the only available strategy for building a resilient banking sector in Palestine. The information technology angle goes a long way in assisting banking institutions in Palestine to rationalize their processes.

The issue of knowledge management (KM) and its place in organizational performance especially in the banking industry continues to occupy the space of scholars worldwide. Caglar & Jaber (2017) note that organizations seeking to take charge of their performance can use the KM framework to properly plan, deliver motivation to stakeholders, control their processes and determine that all assets linked to knowledge management deliver value as projected. Organizational performance as observed by Caglar & Jaber (2017) arises as a variable of the learning processes that a banking facility can adopt. It is clear that the only way to institute a strong sense of KM infrastructure remains through constructing a highly defined process. The component of information/data generation, its acquisition and eventual use guide how the company can respond to knowledge management. The banks in Palestine cannot guarantee themselves a reliable

organizational performance analysis reality without understanding how the learning process brings up knowledge and the relevance of that knowledge to their operations.

Nadia Afrin, writing in the SME Finance Forum, brings up the role that the Bank of Palestine has played in using knowledge management to customize its products. It is clear that the Bank of Palestine studied the Palestine banking environment and made a realization that most banks ignored small and microenterprises (SMEs) and women thereby making a decision to design its primary products along the banking needs covered by the two population groups. Afrin (2018) reports that the Bank of Palestine incorporates the biggest possible SME portfolio amongst all banks in Palestine making it a peer reference of choice for banking institutions seeking to take that route. Such a position indicates that other facilities can use knowledge management components to determine emerging markets and construct their niche. The trajectory absorbed by the Bank of Palestine has, consequently, attracted the attention of the International Finance Corporation, in a bid to expand financial access to SMEs and women (Afrin, 2018). Other banks within the Palestine region can extract this type of data, process it and use it in activating a decision-making process that can allow a chance of thinking about new products.

The knowledge management criterion determines that banks or organizations determine the quality of their information sources. In the event of erratic and unreliable information origins, the quality of knowledge becomes contested and can ruin the entire operational process. Abumandil & Hassan (2016) identify that information quality leading to knowledge management initiatives must have at least 6 components. It is necessary that quality information absorbs the qualities of accuracy, is accessible, remains relevant, is timely, comes out as complete, and can be placed under interpretation (Abumandil & Hassan, 2016). The intersection of all these factors proceeds to indicate or determine the qualities of decisions made within any organization beyond the banking

sector in Palestine. However, Abumandil & Hassan (2016) send a reminder that only four of the six identified information qualities have a direct individual effect on decision making. Banking executives in Palestine will have to access information with a high sense of accuracy, relevance, complete and can get interpreted.

2.2.2 Innovation and Financial Innovation

The banking sector has played a substantive role in growing the Palestine economy and expanding financial inclusion in the economy. For a developing economy, Awad & Al Karaki (2019) report that banks have played an exceptional role in expanding the credit lines available for the residents of the Palestinian economy. However, Awad & Al Karaki (2019) equally represent those studies consistent with their empirical investigation indicating that it is economic growth that often spurs bank lending and not vice versa. Therefore, the growth of the Palestine economy may have played a role in encouraging lending within the financial environment. The innovation on this end from Palestinian banks remains that these institutions can expand the credit line and absorbs more people into the credit bracket. To that end, Awad & Al Karaki (2019) advise on the policy direction that Palestinian authorities can take as a measure of encouraging positive lending by banks to the region's population. The immediate advisory direction by Awad & Al Karaki (2019) includes the development of policy guidelines that can have banks expand their credit products to the manufacturing sector. Further, the banking environment may have to bridge the gap between credit lines and savings, and the authorities should request, by way of policy, those banks lend to the entire economy. Awad & Al Karaki (2019) close the observation by noting that the government in Palestine should avoid engaging in excessive internal borrowing. Government over-borrowing from the private banking sector limits the amount of credit accessible to non-governmental players

thus closing the credit lines and accelerating financial exclusion. The government has a big role in supporting strong financial inclusion among Palestine's banking institutions.

Palestine has indicated its interest in absorbing financial technology (Fintech) as a strategy for expanding its banking reach to residents. Zghyer (2021) observes that even with the low opinion on the attitude displayed by Palestine banks on the use of financial technology, the country appears intentioned to participate within fintech frameworks. It is the wider global public that has a fairly low opinion of the fintech situation in Palestine given the political situation that has faced the region for the last two decades. Zghyer (2021) reports that the Palestine Monetary Authority (PMA) has activated intentional initiatives of expanding the banking sector in Palestine. PMA gave regulatory approval for the absorption of mobile-based money wallets and the use of digital platforms in 2020 (Zghyer, 2021). This kind of development opens up the financial environment for the entry of banking players within and without Palestine. The global rise of fintech facilities around the world indicates that it is likely that these players will rush to install their services within Palestine and place the region within the globalized fintech infrastructure. Zghyer (2021) points out that the Palestine credit card banking sector has low penetration with about %10 of the entire adult population using credit cards. The observational image here is that Palestine has a huge potential of taking in fintech products and leading the way in allowing its adult population access to diversified financial products. The presence of a %85 mobile use presents the likelihood of very high potential in using fintech products within Palestine (Zghyer, 2021). Palestine can rise as a region by applying technology-driven financial options.

The current financial innovation literature landscape lacks a definite theoretical framework that may assist in accurately assessing the banking situation in Palestine. Khraisha & Arthur (2018) posit the lack of scholarly investment in constructing financial innovation theory despite the world

facing a number of global financial crises such as the global recession witnessed in 2008. The main concern played out by Khraisha & Arthur (2018) rises on the issue of lacking a unified theory around financial innovation with an aim of guiding all financial facilities inclusive of banks and allied financial entities. Such a theory should carry the ability to dissect the complexities involved in wholesome financial activities. This theory should also carry the capacity of awarding industrial actors a chance to concisely understand the possible diverse options that may exist in the present and the expected opportunities. The creation of theories proceeds to encourage the classification of the possible forms of innovations within the financial environment. Khraisha & Arthur (2018) advise on the need to use products and processes as the pathways towards the clarified construction of a financial theory. Within the products' framework, financial facilities can examine their current products/services, analyze consumer needs and innovate on new items that can answer emerging needs. Peer review equally plays out, especially within the Palestine context, with aim of getting to understanding the trajectory taken by financial institutions, on the global stage in terms of innovation. It is the same kind of attitude required of scholars in the process of coming up with a unified financial innovation theory. The process lay the foundation for reflection on the necessary forms of operational mechanisms that can better the delivery of services to consumers. As banks ponder on the way forward on innovation, scholars as requested by Khraisha & Arthur (2018), carry the major responsibility of providing academic advisory responsibilities.

A study by (Keshta et al., 2020) confirmed that banks in Palestine carry the all-important duty of applying strategic creativity as the gateway to financial innovation. Strategic creativity can play out through three stages. At the first phase, an individual or entity must display the intention to break the rules of apply unconventional means. (Keshta et al., 2020) observe that strategic creativity commenced with military operations and the banks can interpret it within their context

to assure a streak of innovation. The second phase brings the issue of administrative observation and acceptance. Administrative support ensures that all proposals around creative ideas access the necessary support and get space for absorption within institutional structures. The third and last stage brings up the absorption. This phase equally creates the room for evaluation as a means of ensuring that the creative input brings value to the absorbing entity. Strategically creative inputs cannot succeed in the absence of seamless integration hence awarding banks in Palestine a role of reconstructing their financial infrastructure. Importantly (Keshta et al., 2020) proceed to note that Palestinian financial actors have no option but find ways of inducting strategic creativity into an organization's overall culture. A number of components, as suggested by (Keshta et al., 2020) remain necessary. The new input from strategic creativity must have a complete value chain. The absorbing organization should formulate the concept from a value perspective to its clients and customers. Progressively, a redefinition of the concept's business model would serve to determine its value. It is also necessary for the institutions to ensure that the change from a strategic concept arises as a fundamental change given that it deviates from traditional service/product delivery frameworks. Strategic creativity, as (Keshta et al.,2020) posit, must come up with superior products and/or services.

The basics Banks in developing nations operate in a restricted environment that tends to limit their innovation absorption capabilities. In an empirical observation by (Khatib et al., 2013), most developing countries carry minimal or non-existent budgets for research and development (R&D) making it hard for the academic world to work closely with industries in activating innovations. It is against this background that Palestine must increase its resources and appropriate more support for public research. All leading nations in financial technology with particular reference to the United States and Japan heavily invest in R&D as a technic of supporting entities to absorb new

ideas (Khatib et al., 2013). The financing sector forms a basic services business environment indicating a high consumer concentration reality. With this fact, it becomes a matter of priority for the authorities in Palestine to enhance support assigned to facilities tasked with public research. The research angle ensures that financial institutions operating in Palestine can attract precise guidelines on specialization in a manner that allows the creation of many innovative products within a single industry. The Palestine economy especially the financial environment cannot access any form of substantive growth through reference to rudimentary forms of research (Khatib et al., 2013).

The fairly high literacy rate in Palestine as compared to other developing nations illustrates that the nation carries the capacity of establishing a vibrant R&D apparatus capable of imagining innovation at a higher level. (Khatib et al., 2013) assert that a relatively low body of literature on financial innovation has come out of Palestine, suggesting a gap in amplifying research activities. This reality indicates that financial actors may have to rely on an empirical investigation from external scholars, a matter that may lead to an erratic understanding of Palestine's financial environment. The Palestine financial sector carries a huge chance of accelerated growth in the presence of a strongly supported R&D framework.

International financial organizations continue to provide data-backed literature on the steps taken by financial institutions in Palestine on matters around financial innovation. The International Finance Corporation (IFC) reports that Palestinian banks have continued to expand on inclusion as a mechanism of allowing everyone on board around matters related to expanding products' reach (IFC, 2017). IFC indicates that Palestine bank executives continue to positively change their attitudes about viewing women as viable financial services consumers. Most bank relationship officers within the Palestinian region continue to confirm women as good clients in a development

that has opened doors for women entrepreneurs (IFC, 2017). Academic insight on the state of financial innovation in Palestine has left scholarly gaps on how the banks can bring onboard women consumers as a way of leveraging the banking sector. The change in bank perceptions of women has birthed a consequent reality in women now improving their trust in banks. All forms of innovation in the banking sector focus on inclusion. The absorption of women has enhanced the diversity of products offered by banks in Palestine. The IFC report confirms that at least 47% of women accessing credit from Palestinian banks use cash management tools such as point of sale terminals (POS) (IFC, 2017). Bringing women on board, updating innovative selling apparatus, and expanding the products directly implies an increased business performance by Palestinian banks as per the IFC report. With IFC supporting the Palestinian banks in determining financial inclusion mechanisms through research, it is clear that the roadmap to sustainable financial innovation in Palestine becomes clear. Crossed literature indicates that support from international financial institutions can assist banking sectors in developing countries such as Palestine accelerates their growth.

The Palestine banking environment exists within the non-western operational ground making it possible for scholarly assessment from a non-western perspective. (Aboramadan et al., 2020) use the Palestinian example to carry out an empirical investigation on how the organizational culture can intersect with innovativeness and influence organizational performance. It is the values and wider organizational philosophies that have an impact on how Palestinian banks realize performance (Aboramadan et al., 2020). The organizational culture relates to an innovation streak in way of Palestinian banks use technology and the strategies they apply in their marketing activities. If a bank adopts updated communication technology as working in Google Teams and allied group networks, the bank will likely achieve faster communication and thus, realize better

performance. The application of both horizontal and vertical means of communication creates a relaxed and modern working environment. A strong managerial culture that openly supports employee creativity forms the first basis of spurring innovation within banks (Aboramadan et al., 2020). The innovation culture calls for the banks to facilitate continuous learning to make employees ready for innovation absorption. The complexities around the Palestinian living environment justify financial innovation as a minimum raising the stakes for bank executives. Incentives by banks on their employees can encourage innovation while ensuring that they lead a very active staff. The PMA should also incentivize the banking operating environment to allow for a competitive attitude on all matter's innovation. Most financial environments experiencing sustained innovation often use the reward system to construct energy and excitement amongst industrial actors and players. (Aboramadan et al., 2020) observe that the growing literature on the Palestinian banking context provides a scholarly anchor for the necessary steps required to ensure an innovative financial sector.

2.2.3 Knowledge Management and Financial Innovation

The elements of knowledge management and their relationships to financial innovation have, within the scholarly environment, accessed immense analysis. One, in the generation of knowledge, Ode & Ayavoo (2020) observe that many organizations are applying business intelligence to gather information/data on organizational processes, employee perceptions, and consumer behavior. The presence of big data in the global commercial environment assigns the responsibility of generating knowledge to the commitment of respective organizations (Ode & Ayavoo, 2020). The distribution factor strictly applies to the technologies involved. Some facilities may prefer to activate web conference facilities as a tactic of either instilling the knowledge on stakeholders of evaluating its absorption to keep track of its reach. Before the distribution,

technologies exist for storage. EBook's, internal servers, websites, databases, and digital prints have proved useful accessories in the storage function of financial knowledge (Donate & Sánchez de Pablo, 2015). The application proceeds to demand that facilities empower employees with the necessary devices and abilities to effectively use the knowledge. It can get hard having employees apply knowledge on fintech banking applications in the absence of digital devices.

One of the greatest examples given by scholars on the intersection of knowledge management and financial innovation rallies around a reference to the creation of sustainable targets. Ibrahim (2020) reviews the literature surrounding the impact of nations signing up for the achievement of sustainable goals inclusive of the 2030 Agenda for Sustainable Development which Palestine signed up. Achieving these goals, as Ibrahim (2020) indicates calls for a culture of absorbing new forms of knowledge and innovation. The banking environment in Palestine can join the race to achieve 2030 SDGs by availing new ways of supporting development. The development of new frameworks forms the way towards laying out the relevant strategies that can work towards awarding the State of Palestine a buoyant banking environment that can support public development projects. Ibrahim (2020) points out that the world understands the complex challenges that Palestine faces especially from the angle of Israeli occupation. Ibrahim (2020) however takes the direction of advising that building up resilience through knowledge and innovation can have the State of Palestine bypass the barriers and construct a robust financial infrastructure. One of the ways in which literature, led by observations from Ibrahim (2020), encourages Palestine is through pushing for partnerships. Collaboration on a global level passes over the knowledge used by other nations. It is possible for Palestine to peer-review on successful states that were recently under occupation. Wales, Scotland, and Northern Ireland are still under occupation but have managed to institute strong development-minded financial frameworks. The

circumstances may be different in each occupied state but resilience through knowledge and innovation remains a strong stepping stone into sustainable banking development. The absorption of technological knowledge from other nations forms the basis under which Palestine will join the larger globe in absorbing knowledge and financial innovation for sustainable prosperity.

(Al-Habil et al.,2017) studies how Palestine can utilize its human capital as a measure of encouraging an innovation culture with special reference to its Gaza strip region. Some of the observation points previously activated by other researchers include laying a foundation for the growth of human resources as dependable instruments for a future of innovation. (Al-Habil et al.,2017), suggest that human resource practices (HRM) carry a visible role in stabilizing organizational variables. It is human resource officers who end up training new staff on institutional practices thus determining their absorption of organizational cultures by recruits. The compensation factor as designed by HRM officers in consultation and approved by the management determines if new employees remain motivated enough to absorb a culture of innovation. Evaluation of performance, a central role by HRM specialists, determines if an employee has registered innovation value to a facility or not. The evaluation framework forms the standard upon which the facility can accept if they have substantively absorbed innovation as an organizational cultural item or not. The central observational point by Al Habil et al 2017 focuses on how the Palestine institution aims to upgrade its human resource environment, through updated forms of human capital knowledge, and take the financial environment into a permanent state of innovation culture. Team building activities taken at the internal and the inter-bank level hold the card towards making bank employees understand the importance of innovation as a step towards rapidly and substantially expanding the banking environment in Palestine (Al-Habil, El-Halimi & El-Ghazali, 2017). Consistent training on existing banking methods then ensures that employees

and industrial actors access the required knowledge to activate innovation and push it through. It is in the interest of the Palestine regulatory authority to enhance the quality of its HRM practices as a way of ensuring that the banking industry can access reliable employees who can drive forward a culture of innovation.

(Dzenopoljac et al.,2017) assert that the evidence of growth in most developing nations manifests by way of using technologies that are related to knowledge. It is against this background that the last few decades have been characterized by such connotations as 'evidence-based' economies. The components covered by such terms include intellectual property and information leading into an era in which corporate leaders accepted the value of knowledge as the gateway to innovation. Progressively, and as observed by (Dzenopoljac et al.,2017), scholarly actors constructed the place of intellectual party in corporate literature. The intellectual property became part of knowledge management and the academic fraternity absorbed the two components as subjects of scientific interrogation. Arabian nations, to which Palestine belongs, carry the assignment of correctly defining intellectual capital as a way of activating solid measures of extracting value from it. The challenge, as (Dzenopoljac et al.,2017) remains that intellectual capacity cannot exist on exclusivity. Intellectual capital will rely on human capital, and utilize resources and technology in order to make corporate sense in the Palestinian banking environment. Banking managers can apply their corporate knowledge in measuring and assessing the intrinsic value held by intellectual capital. It is also possible for the banking sector to achieve sound measurement through the use of scoreboards. The ultimate value of intellectual capital lies in its value beyond any form of aesthetic interpretation. Without a reliable means of understanding the role of intellectual capital within the Palestinian banking sector, it becomes difficult for financial players to understand the wider role of knowledge within their operations. The wider understanding gets held within the academic

thought that intellectual capital rises on the premise of available physical resources (Dzenopoljac et al.,2017). The Palestine corporate environment has the responsibility that sufficient physical infrastructure exists prior to running an evaluation on the value of intellectual capital in the financial sector.

Managers play a huge role in determining how knowledge management can impact financial innovation. (Al Dmour et al., 2020) make note of how the technological revolution has made it possible for organizations to activate new ways of doing things as well as access competitive advantage in their environments. The uncertainty in the banking sector in Palestine especially in the face of global hyper-competition and an operational air of uncertainty. It is then through innovation that Palestinian banks can manage productivity and progress. This sense of innovation dictates that banks have no option but to internalize any possible change in routine or processes. The only way to do so, according to (Al Dmour et al., 2020) remains through an intentional activation of knowledge management systems. Scholarly literature appears keen on reminding corporates that there is no other route to progress, sustainability, and excellence without understanding and applying the core principles of knowledge management. Already, there is vaster academic insight on technology and its impact on corporate performance than there is on knowledge and its place in the corporate world. Knowledge, in its intersection with innovation, allows employees a chance of using faster processes to deliver results in a rapid manner. No one can underestimate the power of knowledge in high-technology banking facilities. The knowledge comes in constructing new products and services in a highly efficient manner (Al Dmour et al., 2020). That innovation streak behind the creation of new products in the banking industry happens only if the facilities have knowledge acquisition capacities. The presence of accelerated changes can create uncertainties if the banks are not ready for that kind of change. The speed at which

banks absorb new forms of knowledge informs the speed at which they can innovate new products and services. (Al-Dmour et al.,2020) confirm that prior bodies of research agree on the intersection of knowledge management with financial innovation in a linear manner.

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EL-Ghorra & Panatik (2017) investigate the possibility of knowledge sharing and innovation among sector players indicating that there is a likelihood of facilities sharing knowledge to directly influence their level of innovation. The knowledge-sharing framework discussed in this context is that of having employees within an entity share knowledge to create new ideas. This kind of framework can also happen at an inter-organizational level making the entire environment stronger. The Palestinian working environment has been filled with a sense of over-employment against a case of low levels of productivity. The only way to counter such a reality remains through applying innovation by a way of collective knowledge sharing. Given that banks in Palestine have myriad common challenges, no single bank can wade the competitive waters on absolute exclusivity (EL-Ghorra & Panatik, 2017). The interaction of knowledge illustrates that many minds and organizations can pool their intellectual property and together come up with solutions that may individually yet in a common manner drive the banking industry to higher heights. Rather than viewing knowledge sharing as a risky venture, individual organizations can take up the shared knowledge and implement it in a contextualized manner. The end goal of individual and collective banks remains to generate new ideas (EL-Ghorra & Panatik, 2017). In most financial operation scenarios, the activation of a new idea or product gets absorbed by all players in a matter of time. The creation of a digital payment system in Palestine by one bank will have the other banks taking a cue and taking up the product in a very slightly varied form. This factor implies that banks operating in Palestine have no option but activate knowledge sharing as a means of accelerating the innovation process.

2.3 Discussion the Results of Previous Studies

The association between knowledge management functions and financial innovation was examined using both knowledge-based and financial innovation theories (Demarest, 1997). According to knowledge-based theory, using knowledge may provide a long-term competitive advantage. Knowledge, in this perspective, is not the primary source of competitiveness but rather the application of that knowledge (Demarest, 1997). Financial institutions must enhance their corporate performance to participate in digital financial innovation via service delivery efficiency. ICT innovation creates new financial services and new service delivery methods (Maier & Hadrich, 2011). Knowledge Management (KM) substantial operations are more likely to utilize resources and innovation, resulting in successful results. Integration of knowledge and creativity are essential aspects of the innovation process by examining and synthesizing current literature on knowledge management and creativity (Wiig, 1997). Commercial banks will be able to undertake KM activities (integration, acquisitions, and utilization) more effectively because of this framework (Maier & Hadrich, 2011). These crucial characteristics have been identified in previous research. The dependent variable in this study is digital financial innovation. Moderating and independent factors explain the dependent variable (managers' demographic characteristics: sex, education, age, position, and experience) (Maier & Hadrich, 2011).

Awad (2007) discovered that socialization, combination, externalization, and internalization are steps in the knowledge conversion process when tacit and explicit knowledge interacts; knowledge acquisition and transmission are based on socializing. People exchange and generate knowledge that can be recorded and maintained when they collaborate (Awad, 2007). According to the method, managing knowledge needs interaction between tacit and explicit knowledge; this notion outlines an organization's knowledge management approach (Awad, 2007). As part of

socialization, group members share tacit information and experiences. According to Liebowitz (1999), gathering information may be performed by communicating with external and internal stakeholders, either physically or electronically. According to Liebowitz (1999), explicit information is turned into intangible tacit knowledge. It is communicated in a nonverbal manner. The capacity of a firm to learn and develop depends on its ability to share knowledge (Liebowitz, 1999). Everyone in the company must share their knowledge for the company to flourish (Liebowitz, 1999).

Marwick (2001), employees engage in the activity of knowledge sharing when they communicate ideas and information. Workers share information, experiences, and abilities to create new routines and mental models, as Marwick (2001) stated. Sharing information that professionals have evaluated may help enhance organizational effectiveness (Marwick, 2001). Departmental meetings, knowledge-sharing seminars, informal and formal workshops, summary reports, brainstorming, mentorship, face-to-face encounters, notice boards, and emails are all ways to transmit information (Marwick, 2001). According to Tufano (2003), internally designed communication and collaboration technologies may boost knowledge exchange. Nowadays, various communication options, including video conferencing, the internet, email, mobile phones, and other workflow management technologies, are accessible (Qamruzzaman & Jianguo, 2018). Qamruzzaman and Jianguo (2018) define performance as a company's capacity to achieve objectives while optimizing its resources. It compares a company's actual outputs with its expected outcomes. Product, process, and market-entry innovation are all part of the innovation process. Qamruzzaman and Jianguo (2018) claimed that innovation is required to boost performance, productivity, and growth. Specific cultural and behavioral characteristics may assist businesses in

being more innovative (Qamruzzaman & Jianguo, 2018). Banks, for example, may analyze the culture of information exchange. The focus of this research was on product and market innovation.

According to Arnaboldi and Rossignoli (2015), globalization and technological progress push businesses to innovate and increase competitiveness. In today's unpredictable and hypercompetitive market, businesses are increasingly focusing their efforts on innovation (Arnaboldi & Rossignoli, 2015). Without question, innovation is the motor that keeps organizations competitive. The capacity of a corporation to adapt to changing conditions and alter operations is critical to its success. Businesses must constantly distinguish their goods and services to compete in the commercial world (Obay, 2014). A well-designed knowledge management system is critical to an organization's ability to innovate continuously (Arnaboldi & Rossignoli, 2015). Knowledge is an intangible asset critical to a company's capacity to integrate, acquire, and apply knowledge to its workforce. Knowledge management and competitive advantage are inextricably linked; this connection remains the most beneficial to businesses (Obay, 2014). The link is assumed to be due to people's increased capacity to complete jobs more efficiently.

Furthermore, regardless of the sort of business, innovation is critical to its success (Obay, 2014). The application of knowledge leads to innovation. Obay (2014) considers knowledge management to be a necessity for innovation. The importance of knowledge acquisition and innovation in developing high-tech goods and services cannot be overstated (Tonveronachi, 2010). Furthermore, according to Tonveronachi (2010), gathering and sharing knowledge is advantageous to creating new goods and services. New goods and services must be produced to fulfill the needs of today's fast-changing corporate settings. In these situations, high standards of technology, quality, ability, experience, knowledge, innovation, and creativity are essential (Tonveronachi, 2010). For innovation to occur, obtaining information, selling it, and transforming it into practical knowledge

is essential (Tonveronachi, 2010). The effective administration of productive knowledge aids organizational innovation.

According to Arnaboldi and Rossignoli (2015), KM reengineering, best practices, and the impact of KM on company performance have all been researched in the past, but not the impact of KM on financial innovation. Arnaboldi and Rossignoli (2015), for example, looked at the impact of Knowledge Management (KM) on organizational performance. According to the research, there was a link between knowledge management and firm performance. Lee et al. (2019) has investigated the impact of information sharing on human resource use, creativity, and financial performance. Organizational innovation, employee engagement, and perceived benefits of information sharing were linked (Lee et al., 2019). Other studies looked at knowledge management and innovation in non-service businesses; However, most studies have provided clear advice on the most practical knowledge approaches, and the value of Knowledge Management (KM) in fostering innovation has been generally recognized (Lee et al., 2019). More study on the relationship between Knowledge Management (KM) and innovation is required. It may be beneficial to grasp the complexities involved to comprehend better how the different phases of knowledge generation function (Chukwunulu & Ibenta, 2020). According to Chukwunulu and Ibenta (2020), this lack of awareness has hampered commercial banks and other knowledge-intensive enterprises. Therefore, studies on the impact of knowledge management on financial innovation, particularly in commercial banks, are ideal as it reveals the future and trends of financial institutions globally.

After the researcher reviewed previous studies that dealt with the topics of knowledge management, innovation, and financial innovation, it was found that there is a gap in linking knowledge management and financial innovation in Palestinian banks, as the indicators suggest

positivity in the relationship between variables, therefore it must Shedding light on a subject, and to complete this process, the researcher went to delve deeper into the knowledge management and its elements, and he made a questionnaire to measure these variables, to determine which one affects the most on the process of financial innovation in Palestinian banks

Chapter Three: Research Methodology

3.1 Introduction

This chapter deals with a full description of the method and procedures carried out by the researcher for data collection and sampling, questionnaire design, reliability and validity testing, statistical approach, and research model to implement this study.

3.2 Data Collection and Sampling

In this study, data were collected through primary and secondary data sources in order to access information about the study problem. Primary data were collected through quantitative data tools and a questionnaire was used for the quantitative part. While secondary data was collected through books, articles and scientific journals published on the subject of the thesis, which can be found through the list of references

The random selection method was used in this study, as the number of banks is specific and the number of employees is known. Therefore, a random sample of employees from all administrative levels was selected. The sample of the study was chosen by defining the study population, and since the researcher interested in studying the impact of knowledge management on the financial innovation of commercial banks operating in Palestine, the study sample was limited to 4 banks (Bank of Palestine, the National Bank, Al Quds Bank, the Palestine Investment Bank) and according to the statistics of the Association of Banks in Palestine for the year 2021, the number

of employees working in these banks reached up to 4,783 (journal of banks in Palestine,2021) employee. 4 banks were selected out of 14 operating banks in Palestine, and this is due to the presence of foreign banks from abroad, which were represented in 6 banks, and since these banks follow their policies to the actual management in other countries, and most of them focus on Jordanian banks, and therefore they were excluded from the study for the inability to show The level of financial innovation is in the branches located in Palestine. As for the Islamic banks, which were represented by 3 banks, the researcher was unable to include them in the study, as the Sharia controls hinder the possibility of innovation due to the Islamic Sharia provisions that limit the possibility of offering new products free of forbidden interest. Thus, the study was limited to Palestinian commercial banks only.

Table 1: List of Palestinian Banks

Bank operating in Palestine	Date of establishment	Number of braches & offices
Local Banks		
Bank of Palestine	1960	74
The National Bank	2006	27
Quds Bank	1995	39
Palestine Investment Bank	1995	21
Local Islamic Banks		
Arab Islamic Bank	1996	27
Palestine Islamic Bank	1997	43
Safa Bank	2016	9
Foreign Banks		
Arab Bank	1994	33
Cairo Amman Bank	1986	22
Housing Bank	1995	15
Jordan Bank	1994	22
Jordan Ahli Bank	1995	10
Egyptian Arab Land Bank	1994	7

(journal of banks in Palestine,2021)

The number of questionnaires that should be distributed is (357) questionnaires, the sample size calculated using Robert Mason equation (Robert, 1989).

Robert, L. Mason. (1989). **Statistical Design and analysis of experiments**

$$n = \frac{N}{\left[\left(S^2 \times (N-1)\right) \div pq\right] + 1}$$

N: Population size.

S: 1.96 /standard error=0.05

P: percentage of picking a choice expressed as decimal=0.5

3.3 Questionnaire Design

The questionnaire is an important tool for collecting the quantitative data used in this research, and it was built mainly to meet the needs and questions of the research, and then the final version was distributed to the employees of Palestinian banks. It took 5 weeks from the beginning of distributing the questionnaire, collecting it and returning it to the researcher, and the total number of distributed questionnaires was (457) and (451) was analyzed after excluding (6) questionnaires because their responses were neither consistent nor complete.

The questionnaire consists of three sections, 5 questions were used in the first section, which relate to the demographic information of the respondents (gender, age, educational qualification, length of service, job title).

The second section contains (36) statements that measure the four activities of knowledge management: knowledge generation, knowledge storage, knowledge distribution, and knowledge application, and this was referred to the study of (Filius et al., 2000). Respondents were asked to indicate their level of agreement using a five-point Likert scale (where 5 means fully agree and 1 indicates completely disagree). This section consists of four elements as the flowing:

The first element: generation of knowledge, where this topic measures the extent of the knowledge possessed by the employee, which can be obtained from various sources (work colleagues, specialists, training workshops, etc). (10) Statements for this element were included with reference to the study (Al-Dmour et al.,2020).

The second element: measures the degree to which employees practice the process of storing and organizing knowledge and it refers to those processes that include the retention and maintenance of knowledge so that it is easy to access and search for it. (8) statements were included for this element based on the study of (Akil et al., 2021; Migdadi, M. M. 2020).

The third element: The following statements measure the degree to which employees practice the process of distributing knowledge, which means transferring and sharing knowledge among employees through their experiences and skills in order to develop and organize the knowledge of each one of them. (10) statements were included based on the study of Akram et al.,2020).

Fourth element: The following statements measure the extent to which knowledge is applied by employees, which means the use of knowledge at the appropriate time. (8) sentences were included with reference to the study of Ode, E., & Ayavoo, R. (2020).

The last section contains (9) statements measure the level of financial innovation among employees and were guided by the study of (Simanaviciene et al., 2021). Respondents were asked to indicate their level of agreement using a five-point Likert scale (from 5 which means fully agree to 1 which indicates completely disagree).

Table 2: Five-point Likert scale

No.	Domain	Five-point Likert scale for the responses				
		1	2	3	4	5
Knowledge Management (KM)						
1.	knowledge generation	Strongly disagree	disagree	Undecided	Agree	Strongly agree
2.	knowledge storage					
3.	knowledge distribution					
4.	knowledge application					

No.	Domain	Five-point Likert scale for the responses				
		1	2	3	4	5
Financial Innovation		Strongly disagree	disagree	Undecided	Agree	Strongly agree

According to Malhotra & Birks (2007) said that "Likert scales allows the respondent to choose the degree of agree or disagree with each item in questionnaire when it comes to the stimulus purpose, the different factors were measured on 5- point Likert scale to check the participant's degree of convenient with the statement or not, as below:

1- Strongly disagree (SD)

2- Disagree (D)

3- Neutral (Ne)

4- Agree (A)

5- Strongly Agree (SA)

We will use the following scale to assess the level impact of the knowledge management and financial innovation among the employees in Palestinian banks, this scale depends on interval length=range/number of intervals, (5-1)/3=1.33. The following scale represents the result: 1-less than 2.33 is low; 2.33- less than 3.66 is medium and 3.66-5 is high.

3.4 Ethical Approval

After getting ethical approval from Arab American University, an approval letter will be requested from commercial banks, to get their permission to conduct this study in their banks.

• The participants will be handed the consent form and the questionnaire.

• The researcher personally will distribute and collect the documents at the selected banks.

• Completed questionnaires will be collected.

•The data will be checked, coded and entered to SPSS25 for statistical analysis.

3.5 Factor Analysis

Factor analysis is used to minimize the numbers of components, as Pallant (2005) explain that the ideal sample size should be more than 100 responses. Thus, the results of factor analysis can also be used for another analysis called multiple regressions (Cicenaite et al, 2012).

Kaiser-Meyer-Olkin (KMO) is used to check the adequacy of the sample, depending on the correlation between all variables and it should be between 0 and 1 (Pallant, 2005). Field (2005) set that KMO values between 0.5 and 0.7 are moderate, values between 0.7 and 0.8 are good, values between 0.8 and 0.9 are great and values above 0.9 are excellent. In this research the KMO equals to 0.959 which represents a satisfactory result Table (2). Also, the Bartlett's test result showed in the same table, the identity of the correlation matrix, the spherical significance should be statistically significant in P <0.05, in this research the P value equals 0.000. Thus, the factor analysis is convenient.

Table 3: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.959
Bartlett's Test of Sphericity	Approx. Chi-Square	9389.905
	df	990
	Sig.	0.000

Source: SPSS outcome.

An eigenvalue rule or the Kaiser's criterion is one of the most common techniques. Appendix1 presents all the eigenvalues of the components (1-45), as assumed five factors should be retained table (3) Therefore, for further investigation not all 45 components can be retained. The eigenvalue of a factor indicates the total variance explained by that factor (Pallant, 2005). As shown in the below table, factor 1 has the highest score (20.396), thus, this factor reports the most variance and

explains 45.324% of the total variance. Therefore, five components with the eigenvalue above than one explain 60.043% of the variance. This means that these five factors should be retained for rotation.

Table 4: Total Variance Explained

	Initial Eigenvalues			Extraction Sums of Squared Loadings		
Component	**Total**	**% of Variance**	**Cumulative %**	**Total**	**% of Variance**	**Cumulative %**
1	20.396	45.324	45.324	7.167	15.926	15.926
2	2.386	5.302	50.626	6.976	15.501	31.427
3	1.678	3.729	54.355	5.07	11.268	42.695
4	1.449	3.219	57.573	4.085	9.078	51.773
5	1.111	2.469	60.043	3.722	8.27	60.043

Extraction Method: Principal Component Analysis.
Source: SPSS outcome.

However, in order to make better judgment and choose the proper number of factors, also the Scree Plot should be used. Based on below Graph 1, as is clear that from factor number five, the line is getting straight.

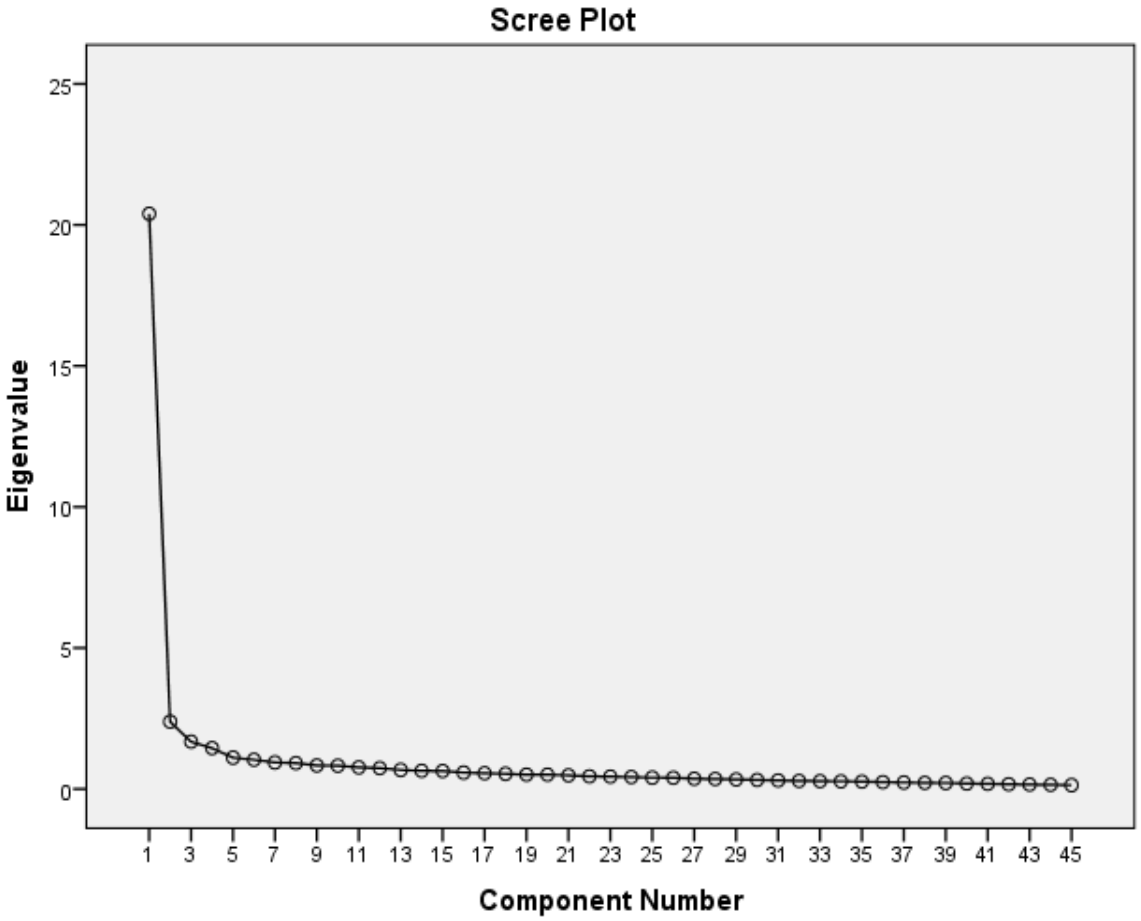

Figure 1: Scree Plot of Combined data
Source: SPSS outcome

This indicates that each consecutive factor is the calculation of smaller quantities of the total variance. It should be noted that the researcher run factor analysis for 5 factors. Since the results of factor analyses for 5 factors give clear solutions generated by SPSS. As the number of the factors has been determined, they have to be 'rotated' in order to start interpretation, rotation does not change anything but it make the translation of the analysis easier, it used to decrease the number of variables which have high loads on each factor (Pallant, 2005). Table (4) presents the loadings of the different variables as well as in which factor it belongs.

Table 5: Rotated Component Matrix

items	1	2	3	4	5
Training workshops and scientific courses lead to employee knowledge acquisition	0.584				
Knowledge management leads to an increase in the competitive advantage of the bank	0.521				
Interaction between employees leads to the acquisition of new knowledge for them	0.577				
Employees have distinct experiences in multiple areas that can be used to gain knowledge	0.5				
Attracting qualified human resources contributes to the acquisition of new knowledge	0.638				
Social relations between employees and customers contribute to the acquisition of knowledge	0.429				
Knowledge is gained through research and development	0.648				
Knowledge is gained by solving problems at work	0.668				
Knowledge is gained by making challenges between employees by the manager or direct supervisor	0.634				
Knowledge is gained by forming groups that bring together employees from different departments	0.709				
Management keeps records and reports of previous cases for future use		0.691			
The bank has an effective archiving and documentation system available to all employees to gain access to new knowledge		0.781			
The bank is interested in making backup copies of information on an ongoing basis		0.547			
Knowledge is kept in the form of reports that are constantly updated and easily accessible when needed		0.632			
The management is interested in maintaining and investing in the experienced and knowledgeable employees		0.573			
There is a person responsible for collecting employee information and ideas to be recorded in an accessible register		0.565			
Employees write down and record all new situations and information that benefit the work and are related to it		0.453			

The bank using technological methods to preserve and store knowledge	0.483		
The management holding regular meetings with its employees		0.673	
Information and experiences are exchanged between all employees at different administrative levels		0.485	
The bank departments organize seminars, conferences and workshops to contribute the exchange of employee experiences and skills		0.643	
Direct interaction between employees and customers leads to increase exchange of new knowledge		0.577	
Employees have social relationships with each other		0.601	
Employees cooperate to benefit from their accumulated experiences		0.45	
The bank provides technologies that facilitate and allow sharing of knowledge among employees such as (e-mail, meetings, expert assistance)		0.503	
The department in which I work holds brainstorming meetings to exchange ideas		0.618	
The bank encourages its employees to exchange information and ideas for customer service		0.567	
Bank management provides adequate time for employees to exchange information and ideas		0.556	
Employees acquired information to achieve the desired goals of the bank			0.521
Employees use their information and knowledge to solve the cases they face			0.492
The bank allows employees to apply their own skills and experience in the field of work			0.604
There is a clear written plan for employees to apply knowledge in the field of work			0.642
A manager helps his employees to apply their knowledge in their daily life			0.688
A manager encourages his employees to apply knowledge in their work			0.675
The Bank establishes controls for knowledge management between employees			0.628
The knowledge management in the bank helps to provide distinguished services to the bank's customers			0.534

The bank has innovative ways to quickly and easily provide service to customers	0.529
The bank uses financial technology to provide innovative financial services such as banking applications, websites and ATMs	0.677
The bank constantly develops technological services and seeks to update and add new services	0.603
The Bank is interested in feedback on the quality of service provided by employees and customers	0.596
The bank pushes work towards innovation in order to achieve and maximize its profits	0.411
Financial innovation adds a competitive advantage to the bank over other banks	0.621
Knowledge management increases the development of new programs and services	0.627
Knowledge management maximizes flexibility to meet changing market demands	0.612
The knowledge management available in the bank supports the innovation process	0.584

Extraction Method: Principal Component Analysis.
Rotation Method: Oblimin with Kaiser Normalization.
Source: SPSS outcome.

An Oblimin with Kaiser Normalization rotation method discover the five factors with 45 items, and the most important items in each factor. As showed in table (4) the 38 items in the study instruments had been loaded on the five factors, this is depending also on communalities analysis, the communalities also showed the variables that fitted well together (Child, 2006). Below table (5) represents the factors in this research and the decision to retain or not:

Table 6: factors retained

Label	Component number	Eigen value	Decision
Knowledge generation	1	20.396	Retain
Knowledge storage	2	2.386	Retain
Knowledge distribution	3	1.678	Retain
Knowledge application	4	1.449	Retain
Financial innovation	5	1.111	Retain

Source: SPSS outcome.

3.6 Internal Validity and Reliability:

According to (Oluwatayo, 2012) define validity as "the accuracy of an assessment" in another word it means does the used instruments measure what supposed to measure?, and to have the confidence about the validity of the questionnaire before distribute it to the last respondent, it has been sent to be evaluated by number of external evaluator's, the evaluator reviews the questionnaire for readability, clarity, and comprehensiveness and provides a level of consensus on which items should be included in the final questionnaire.

While reliability mean the consistency of assessment and free of error, (Fraenkel & Wallen, 2003), which mean that all items in the instrument measure the same construct, and to measure the reliability or consistency of the instrument a statistical tool was used called Cronbach Alpha, this tool developed by Lee Cronbach in 1951 to achieve the purpose mentioned before, and it is expressed with numerical value located between 0 and 1, if the score of alpha was more than 0.7 this clarify that the questionnaire is reliable and vice versa if the result was less than 0.7 this mean the questionnaire not reliable and need to be modified.

To check the validity and reliability of the instrument, pilot testing was used. A sample of (20) questionnaires were distributed randomly among employees in commercial banks out of the sample but from the population, the purpose of this testing is to make sure that the respondents have no problem in understanding the questions, and after analyzed these data the researcher found that each dimension had a high value of Cronpach's alpha, and the overall it was 0.97 which exceeded the 0.70 level indicating high reliability of high internal consistency:

Table 7: Reliability Statistics

Variable	Cronbach's Alpha	N of Items
Knowledge generation	.88	10
Knowledge storage	.89	8
Knowledge distribution	.92	10

Knowledge application	.90	8
Knowledge management	**.96**	**36**
Financial innovation	.92	9
The tool	.97	**45**

Source: SPSS outcome.

Which in turn proved that, the used tool measures the level impact of knowledge management and financial innovation among the employees in Palestinian commercial banks, and we could distribute the tool on the selected sample.

3.7 Statistical Approach:

The Statistical Package for Social Science (SPSS 25.0) was used to analyze the collected data. Multiple regression analysis using the SPSS software used to analyze data collected and Pearson correlation to test the significance for the relationship hypothesis, moreover, means and standard deviations were used.

3.8 Conclusion:

This chapter has identified the methodological approach selected for this thesis study, in this part the researcher identified in details the research instrument that applied to test the hypothesis to reach the final results which illustrate the level impact of the knowledge management and financial innovation among the employees in commercial Palestinian banks, also in this chapter the researcher identify the internal validity and reliability of the questionnaire used. A factor analysis testing was done and the results were used to make the necessary modifications on the instrument. Moreover, in this chapter the researcher identified the population and the targeted research sample. Finally, the researcher explained the procedures used to conduct the data collection and analysis.

Chapter Four: Data Analysis & Results

4.1 Introduction

In this chapter, the researcher presents analysis using SPSS25, to answer the questions and reject or fail to reject the hypothesis. This chapter will separate into 3 parts, the first one: demographic analysis, the second part is the descriptive analysis, and the third part the regression analysis will be done in the final part to check the impact of the knowledge management on financial innovation among the employees in the commercial Palestinian banks.

4.2 Demographic Analysis

Total of (451) responses using electronic questionnaire collected, and the results of the sample details as follows:

Table 8: Demographic characteristics of respondents

Variable	Level	Frequency	Percent (%)
Gender	Male	262	58
	Female	189	42
Age	Less than 25 years	144	32
	Between 25 and 35 years	199	44
	Between 35 and 45 years	82	18
	Between 45 and 50 years	16	4
	50 years and more	10	2
Qualification level	Bachelor	367	81
	Master	71	16
	Ph.D.	13	3
Work experience	Less than 5 years	202	45
	Between 5 and less than 10 years	109	24
	Between 10 and less than 15 years	77	17
	15 years or more	63	14
Job title	Employee	306	68
	Head Division	82	18
	Vice manager	33	7
	Manager	30	7

Source: SPSS outcome.

-Gender: the majority of sample was male as the percentage of (58%), while female percentage was (42%).

-Age: The majority of sample respondents aged between 25-35 years old with (44%), but the lowest period of respondents aged 50 years old or more with (2%)

-Qualification level: the education level for the sample was distributed as following:

(81%) Bachelor degree, (16%) Mater and (3%) Doctorate degree.

-Work experience: less than 5 years has the highest percentage of the sample size with (45%), (24%) between 5 and less than 10 years of experience, while 15 years or more was the lowest with (14%).

-Job title: the majority of the sample working as employees with percentage of (68%), followed by head division with (18%), while the least were vice manager and manager (7%) for each of them.

4.3 Descriptive Statistics

The descriptive analysis part describes the gathered numerical data to make it easier when explain; also descriptive analysis results show the mean and standard deviation for each statement to determine the items that has the highest and lowest mean in each factor. The purpose of this analysis to identify the central tendency of the responses through mean results and the spread of a set of observations through the standard deviation results which means when the standard deviation is low it expressed that most of the respondents had the same opinion (concentrated) toward the same statement while when the score of standard deviation is high it means that the respondents have a different opinion toward the same statement (Cicenaite, et al. 2012). The 5-point Likert scale was used, where 5 means strongly agree and 1 means strongly disagree.

The main Question: What is the level impact of knowledge management on financial innovation among the employees in the commercial Palestinian banks?

In order to answer the above question we consider the following questions:

Q1: What is the level of knowledge management among employees in the commercial Palestinian banks?

To answer this question, the means and standard deviations are calculated to know the level of knowledge management factors among the employees in the commercial Palestinian banks.

Table 9: Descriptive statistics of the KM factors

Factors	Mean	Standard Deviation	Level
Knowledge generation	4.37	0.61	High
Knowledge application	4.17	0.75	High
Knowledge distribution	4.16	0.80	High
Knowledge storage	4.13	0.84	High
Total Average of knowledge Management	**4.22**	**0.66**	**High**

According to the table (8) it is clear that the total average of knowledge management of all 4 factors among the employees in the commercial Palestinian banks represents the level of high with (4.22), all dimensions represent the level of high and located between (4.13) related to knowledge storage factor and (4.37) related to knowledge generation.

Q2- What is the level of knowledge generation among the employees in the commercial Palestinian banks?

To answer this question, the means and standard deviations are calculated to know the level of knowledge generation among the employees in the commercial Palestinian banks.

Table 10: Knowledge generation

Items	Mean	Standard Deviation	Level
Knowledge is gained by solving problems at work	4.59	0.74	High
Knowledge is gained through research and development	4.51	0.78	High
Interaction between employees leads to the acquisition of new knowledge for them	4.46	0.79	High

Employees have distinct experiences in multiple areas that can be used to gain knowledge	4.40	0.79	High
Social relations between employees and customers contribute to the acquisition of knowledge.	4.38	0.88	High
Attracting qualified human resources contributes to the acquisition of new knowledge	4.36	0.92	High
Knowledge is gained by forming groups that bring together employees from different departments	4.35	0.93	High
Knowledge management leads to an increase in the competitive advantage of the bank	4.32	0.83	High
Training workshops and scientific courses lead to employee knowledge acquisition	4.22	0.94	High
Knowledge is gained by making challenges between employees by the manager or direct supervisor	4.14	1.14	High
Total average of Knowledge Generation	**4.37**	**0.61**	**High**

Source: SPSS outcome.

Table (9) represents the descriptive statistics of the level of knowledge generation items among the employees in the commercial Palestinian banks. The statement represents 'Knowledge is gained by solving problems at work' has a highest mean score (4.59) with a high level, and it shows that, most of the respondents agree with this statement while the lowest mean score (4.14) related to 'knowledge is gained by making challenges between employees by the manager or direct supervisor', with a high level. The answer of the above question depending on the total average score (4.37), which means the level of knowledge generation is high among the employees in the commercial Palestinian banks.

Q3- What is the level of knowledge storage among the employees in the commercial Palestinian banks?

To answer this question, the means and standard deviations are calculated to know the level of knowledge storage among the employees in the commercial Palestinian banks.

Table 11: Knowledge storage

Items	Mean	Standard Deviation	Level
The bank using technological methods to preserve and store knowledge	4.39	0.89	High
The bank is interested in making backup copies of information on an ongoing basis	4.26	1.00	High
Management keeps records and reports of previous cases for future use	4.24	1.03	High
Knowledge is kept in the form of reports that are constantly updated and easily accessible when needed	4.23	1.03	High
The bank has an effective archiving and documentation system available to all employees to gain access to new knowledge	4.13	1.15	High
The management is interested in maintaining and investing in the experienced and knowledgeable employees	3.97	1.25	High
Employees write down and record all new situations and information that benefit the work and are related to it	3.96	1.23	High
There is a person responsible for collecting employee information and ideas to be recorded in an accessible register	3.82	1.29	High
Total Average of Knowledge Storage	**4.13**	**0.84**	**High**

Source: SPSS outcome.

Table (10) represents the descriptive statistics of the level of knowledge storage items among the employees in the commercial Palestinian banks. The statement represents 'The bank using technological methods to preserve and store knowledge' has a highest mean score (4.39) with a high level, it shows that, most of the respondents agree with this statement while the lowest mean score (3.82) related to 'There is a person responsible for collecting employee information and ideas to be recorded in an accessible register', with a high level. The answer to the above question depending on the total average score (4.13), which means the level of knowledge storage is high among the employees in the commercial Palestinian banks.

Q4- What is the level of knowledge distribution among the employees in the commercial Palestinian banks?

To answer this question, the means and standard deviations are calculated to know the level of knowledge distribution among the employees in the commercial Palestinian banks.

Table 12: Knowledge distribution

Items	Mean	Standard Deviation	Level
Employees have social relationships with each other	4.32	0.95	High
Employees cooperate to benefit from their accumulated experiences	4.32	0.83	High
The bank provides technologies that facilitate and allow sharing of knowledge among employees such as (e-mail, meetings, expert assistance)	4.38	0.92	High
Direct interaction between employees and customers leads to increase exchange of new knowledge	4.31	0.90	High
The bank encourages its employees to exchange information and ideas for customer service	4.23	1.01	High
Information and experiences are exchanged between all employees at different administrative levels	4.10	0.99	High
Bank management provides adequate time for employees to exchange information and ideas	4.07	1.21	High
The management holding regular meetings with its employees	4.03	1.13	High
The department in which I work holds brainstorming meetings to exchange ideas	3.98	1.18	High
The bank departments organize seminars, conferences and workshops to contribute the exchange of employee experiences and skills	3.92	1.09	High
Total Average of Knowledge Distribution	**4.16**	**0.80**	**High**

Source: SPSS outcome.

Table (11) represents the descriptive statistics of the level of knowledge distribution items among the employees in the commercial Palestinian banks. The statement represents 'The bank provides technologies that facilitate and allow sharing of knowledge among employees such as (e-mail, meetings, expert assistance)' has a highest mean score (4.38) with a high level, it shows that, most of the respondents agree with this statement, while the lowest mean score (3.92) related to 'The bank departments organize seminars, conferences and workshops to contribute the exchange of

employee experiences and skills', with a high level. The answer to the above question depending on the total average score (4.16), which means the level of knowledge distribution is high among the employees in the commercial Palestinian banks.

Q5- What is the level of knowledge application among the employees in the commercial Palestinian banks?

To answer this question, the means and standard deviations are calculated to know the level of knowledge application among the employees in the commercial Palestinian banks.

Table 13: Knowledge application

Items	Mean	Standard Deviation	Level
The knowledge management in the bank helps to provide distinguished services to the bank's customers	4.41	0.91	High
Employees acquired information to achieve the desired goals of the bank	4.25	0.96	High
Employees use their information and knowledge to solve the cases they face	4.25	0.83	High
A manager helps his employees to apply their knowledge in their daily life	4.23	0.91	High
The Bank establishes controls for knowledge management between employees	4.16	1.03	High
A manager encourages his employees to apply knowledge in their work	4.09	0.99	High
The bank allows employees to apply their own skills and experience in the field of work	4.04	0.97	High
There is a clear written plan for employees to apply knowledge in the field of work	3.95	1.13	High
Total Average of Knowledge Application	**4.17**	**0.75**	**High**

Source: SPSS outcome.

Table (12) represents the descriptive statistics of the level of knowledge application items among the employees in the commercial Palestinian banks. The statement represents 'The knowledge management in the bank helps to provide distinguished services to the bank's customers' has a highest mean score (4.41) with a high level, it shows that, most of the respondents agree with this statement, while the lowest mean score (3.95) related to 'There is a clear written plan for

employees to apply knowledge in the field of work', with a high level. The answer to the above question depending on the total average score (4.17), which means the level of knowledge application is high among the employees in the commercial Palestinian banks.

Q6- What is the level of financial innovation among the employees in the commercial Palestinian banks?

To answer this question, the means and standard deviations are calculated to know the level of financial innovation among the employees in the commercial Palestinian banks.

Table 14: Financial innovation

Items	Mean	Standard Deviation	Level
The bank constantly develops technological services and seeks to update and add new services	4.52	0.82	High
The bank uses financial technology to provide innovative financial services such as banking applications, websites and ATMs	4.51	0.80	High
Financial innovation adds a competitive advantage to the bank over other banks	4.50	0.85	High
Knowledge management increases the development of new programs and services	4.48	0.80	High
Knowledge management maximizes flexibility to meet changing market demands	4.47	0.80	High
The knowledge management available in the bank supports the innovation process	4.39	0.89	High
The bank has innovative ways to quickly and easily provide service to customers	4.38	0.97	High
The Bank is interested in feedback on the quality of service provided by employees and customers	4.38	0.89	High
The bank pushes work towards innovation in order to achieve and maximize its profits	4.34	1.03	High
Total Average of Financial Innovation	**4.44**	**0.69**	**High**

Source: SPSS outcome.

Table (13) represents the descriptive statistics of the level of financial innovation items among the employees in the commercial Palestinian banks. The statement represents 'The bank constantly develops technological services and seeks to update and add new services' has a highest mean score (4.52) with a high level, it shows that, most of the respondents agree with this statement,

while the lowest mean score (4.34) related to 'The bank pushes work towards innovation in order to achieve and maximize its profits', with a high level. The answer to the above question depending on the total average score (4.44), which means the level of financial innovation is high among the employees in the commercial Palestinian banks.

4.3 Testing the Assumptions

The researcher tested the assumption through (Normality) to make sure which testing hypothesis needed (parametric or nonparametric).

To check the normality test Kolmogorov-Smirnov test is used, the following table shows the result:

Table 15: Kolmogorov-Smirnov test for normality

Test	Test value	Significance	Result
Kolmogorov-Smirnov	1.121	0.162	Accept

Our assumption is the data distributed normally, referring to the significance value=0.162> 0.05, we accept the assumption, which means that we will use the parametric tests.

4.4 Testing Hypothesis

Regression Analysis

(H0), There is no statically significant impact of knowledge management on financial innovation in Palestinian commercial banks.

Regression analysis is used to examine the impact of knowledge management on financial innovation in Palestinian commercial banks, a multiple regression is used, to discuss how much the variation of independent variables (knowledge management factors) can be clarified by the dependent variable (financial innovation), for example, the researcher through the multiple regression test will find how much (knowledge generation, knowledge storage, knowledge

distribution, and knowledge application), explain the variation of financial innovation (dependent variable). The below table represents the variable entered for multiple regression analysis using enter method:

Table 16: Multiple regression – R and R square

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.865a	0.748	0.746	0.34879

a Predictors: (Constant), generation, storage , distribution, application.

From table (15), the predictors (generation, storage, distribution, application) explain (74.6%) of the dependent variable: (financial innovation), to evaluate how this model fits the analysis, it is useful to test the ANOVA, table (16) shows the result

Table 17: Multiple regression - ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	161.01	4	40.25	330.87	.000b
	Residual	54.26	446	0.12		
	Total	215.27	450			

a Dependent Variable: financial innovation
b Predictors: (Constant), generation, storage , distribution, application.

In this case, the model fits very well, since the statistical significance is scored below 0.05. More precisely, the model is scoring 0.000, the researcher accepts the alternative hypothesis, which means, there is statically significant impact of knowledge management on financial innovation in Palestinian commercial banks.

It is interesting to compare the contribution of each independent variable to predict financial innovation; beta values should be also taken into account table (17) shows the result:

Table 18: Multiple regression – coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.57	0.12		4.64	0.00
	generation	0.27	0.04	0.24	7.46	0.00
	storage	0.17	0.03	0.20	4.93	0.00
	distribution	0.25	0.04	0.29	5.63	0.00
	application	0.23	0.04	0.25	5.42	0.00

It can be noticed that the largest beta coefficient (0.27) is for "generation". This means, that this variable makes the strongest contribution when explaining financial innovation. The other beta coefficients are slightly lower; 'distribution' (0.25), "application" (0.23), "storage" (0.17), has less contribution with the dependent variable, all beta coefficients are statistically significant.

4.5 Discussion the Results

(H0, a), There is no statically significant impact of knowledge generation on financial innovation in Palestinian commercial banks.

Knowledge generation has a positive effect on financial innovation since the statistical significance is scored below 0.05 so the researcher accepts the alternative hypothesis, which means, there is statically significant impact of knowledge generation on financial innovation in Palestinian commercial banks. It can be noticed that beta coefficient (0.27) is for "knowledge generation". This means, that this variable makes strongest contribution when explaining financial innovation and statistically significant and this result agreed with Nurdin, N., & Yusuf, K. (2020) study, which conducted a study on the life cycle of knowledge management and its relationship in Islamic banks in Indonesia. It also agreed Abbas, Rasheed, Habiba & Shahzad, (2013) study, which examined the factors that enhance Knowledge exchange and knowledge creation in the banking sector in Pakistan.

The researcher believes that the knowledge generation factor is very important as it has a significant impact on the process of financial innovation. Therefore, banks should pay special attention to this aspect and encourage employees to express, criticize and clarify their personal opinions on the one hand, and transfer customer opinions on the other hand to management in order to generate new knowledge help in the process of financial innovation.

(H0, b), There is no statically significant impact of knowledge storage on financial innovation in Palestinian commercial banks.

Knowledge storage has a positive effect on financial innovation since the statistical significance is scored below 0.05. So the researcher accepts the alternative hypothesis, which means, there is statically significant impact of knowledge storage on financial innovation in Palestinian commercial banks. It can be noticed that beta coefficient (0.17) is for "knowledge storage" contribution when explaining financial innovation and statistically significant. As this result is consistent with the Abusweilem & Abualous (2019) study, in which he talked about the impact of the stages of knowledge management and business intelligence on the performance of institutions.

Through this result, the researcher concluded that storing knowledge enhances the process of financial innovation, and Palestinian banks contain good capabilities for storing the knowledge, but it is also important to focus on the ability to access to this data when needed and to give employees the ability to access on it.

(H0, c), There is no statically significant impact of knowledge distribution on financial innovation in Palestinian commercial banks.

Knowledge distribution has a positive effect on financial innovation since the statistical significance is scored below 0.05. So the researcher accepts the alternative hypothesis, which means, there is statically significant impact of knowledge distribution on financial innovation in Palestinian commercial banks. It can be noticed that beta coefficient (0.25) is for “knowledge distribution” contribution when explaining financial innovation and statistically significant. The researcher result is consistent with Nsour & Tayeh (2018) study, which tested the impact of talent management on competitive advantage in commercial banks operating in Jordan from the employees’ point of view. Management should encourage employees to share information or observations among themselves (Andleeb, Ahmad & Aziz, 2020).

From the researcher's point of view, the knowledge distribution factor is considered one of the most important and most sensitive factors, as the transfer of knowledge varies from person to person because it depends on the employee's understanding of this knowledge and the possibility of transferring it completely and correctly to other employees. Therefore, Palestinian banks must find a mechanism that guarantees the validity of knowledge transfer from one employee to another, this mechanism can be strengthened by adopting unified forms, centralizing data, and finding a person responsible for it to ensure its validity and distribution to all employees. Explanations of this data can also be attached.

(H0, d), There is no statically significant impact of knowledge application on financial innovation in Palestinian commercial banks.

Knowledge application has a positive effect on financial innovation since the statistical significance is scored below 0.05. So the researcher accepts the alternative hypothesis, which means, there is statically significant impact of knowledge application on financial innovation in

Palestinian commercial banks. It can be noticed that beta coefficient (0.23) is for “knowledge application” contribution when explaining financial innovation and statistically significant. This result is consistent with Prusak (2019) study, which concluded that the systems and standards set by the institution to ensure the application of knowledge in the correct manner and to present it with its expected value.

The researcher believes that the application of knowledge is important in financial institutions, as the collection, storage and distribution of knowledge are considered important factors in the knowledge chain, but if it is not applied correctly, it will not work and will not have a positive impact on financial innovation. Therefore, the researcher recommends finding a mechanism that allows the institution to verify the process of applying knowledge through support systems and data automation. Periodic audits can also be made on employees and systems to ensure the integrity of the application of knowledge.

Chapter Five: Conclusion and Recommendations

5.1 Conclusion

The researcher conducted this study to test the effect of knowledge management on financial innovation in Palestinian commercial banks, where the test was conducted on four banks and with a sample of 451, the study was analyzed using multiple regression analysis and the study reached the following results:

1. The study concluded that knowledge management plays an important role in achieving financial innovation, as the development of technological services and electronic financial

services creates new innovations and raises the competitive advantage among banks, which gives the bank the advantage of flexibility to respond to market requirements.

2. The study concluded that the factor of generation knowledge is the highest factor affecting financial innovation, as the generation of knowledge through problem solving, research and development, and interaction between employees are the most influential means of generation knowledge among employees. In general, the generation of knowledge leads to financial innovation in banks. Employees possessed the knowledge and were able to think outside the box which leads to improving existing products or inventing a new product for the bank.
3. The study showed that the distribution of knowledge is considered the second most influential factor in financial innovation, as the existence of social relations between employees and their cooperation with each other and the availability of communication between them is one of the most important reasons for increasing the relationship between knowledge distribution and financial innovation
4. Knowledge application, which is the third factor that positively affects financial innovation, as employees use the knowledge they have acquired to achieve the desired goals and use it to solve the problems they face. The researcher found that the manager's support for his employees in applying their knowledge increases financial innovation in banks.
5. There is a positive effect between knowledge storage and financial innovation, meaning that the processes of storing knowledge and activities related to it, such as keeping it in special records, providing a system for archiving data and making backup copies, provides

the opportunity for the employee to access them in the right place and time, which in turn positively affects financial innovation and this factor. It is the least effective

5.2 Recommendations

Based on the questionnaire that was distributed to the employees and according to the answers that were analyzed, the researcher makes the following recommendations

1. Training courses for employees on the mechanism of spreading knowledge and training the employee on the possibility of sharing this knowledge from one person to another in the correct manner.
2. Supporting training initiatives, meaning that the administration submits a proposal to the experienced employees to hold training courses for other employees in the various departments of the bank.
3. Encouraging the pioneering ideas that are proposed by the employee or the client, as these ideas can be developed, improved and presented as a final product to the clients.
4. Benefit from the experiences and expertise of banks in neighboring countries, which have an environment similar to the Palestinian market.
5. Keeping abreast of the latest developments in banking services Measuring the possibility of implementing new financial innovations in Palestine.
6. Making technological and information exchange agreements for services provided in internal and external banks.
7. Doing more studies on knowledge management and addressing other dimensions in the upcoming studies to assess the extent of their impact on financial innovation because the results of the current factors had positive effects.

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Appendex1

الجامعة العربية الأمريكية
ARAB AMERICAN UNIVERSITY

كلية الدراسات العليا
التخطيط الاستراتيجي وتجنيد الاموال

السادة المحترمين،،،
تحية طيبة وبعد،

يجري الباحث دراسة ميدانية بهدف دراسة أثر ادارة المعرفة على الابتكار المالي للبنوك التجارية المدرجة في سوق فلسطين للأوراق المالية، وذلك استكمالا للحصول على درجة الماجستير في التخطيط الاستراتيجي وتجنيد الاموال في الجامعة العربية الامريكية.

يرجى التكرم بالإجابة على فقرات الاستبانة واختيار الاجابة المناسبة، علما بأن جمع البيانات هو بهدف اغراض البحث العلمي فقط.

شاكرا حسن تعاونكم.

الباحث
محمد يونس نزال

➢ **القسم الاول :البيانات الديموغرافية.**
يرجى وضع دائرة حول الاجابة المناسبة:

1. الجنس:

أ –ذكر ب –أنثى

2. العمر:

أ– اقل من 25 سنه ب– من 25 سنه الى اقل من 35 سنه

ج– من35 سنه الى اقل من 45 سنه ج– من 45 سنه الى اقل من 50 سنه

د– من 50 سنه فاكثر

3. المؤهل العلمي:

أ –بكالوريوس. ب –ماجستير.

ج –دكتوراه.

4. الخبرة العملية:

أ –أقل من 5 سنوات ب –من 5 سنوات حتى اقل من 10 سنوات.

ج –من 10 سنوات حتى اقل من 15 سنة. د– 15 سنة فاكثر.

5. المسمى الوظيفي:

أ –مدير ب –نائب مدير.

ج –رئيس دائرة / قسم د –موظف إداري/ فرع.

- **القسم الثاني: عمليات ادارة المعرفة في البنك.**

يرجى وضع اشارة X تحت العبارة المناسبة من وجهة نظرك لكل من الفقرات التالية:

المحور الاول: يقيس هذا المحور اكتساب المعرفة لدى الموظف والتي يمكن الحصول عليها من مصادر مختلفة (زملاء العمل, المختصون, ورشات تدريبية, المعتمدين ...).

الرقم	الفقرة	موافق بشدة	موافق	محايد	غير موافق	غير موافق بشدة
1	الورشات التدريبية والدورات العلمية تؤدي الى اكتساب المعرفة لدى الموظف					
2	ادارة المعرفة تؤدي الى زيادة الميزة التنافسية لدى البنك					
3	التفاعل بين الموظفين يؤدي الى اكتساب معرفة جديدة لديهم					
4	يتمتع الموظفين بالخبرات المميزة في مجالات متعددة يمكن الاستفادة منها في اكتساب المعرفة					
5	يساهم استقطاب الكوادر البشرية المؤهلة في اكتساب معرفة جديدة					
6	العلاقات الاجتماعية بين الموظفين والعملاء تساهم في اكتساب المعرفة					
7	يتم اكتساب المعرفة من خلال البحث والتطوير					
8	يتم اكتساب المعرفة من خلال حل المشكلات في العمل					
9	يتم اكتساب المعرفة من خلال عمل تحديات بين الموظفين من قبل المدير او المسؤول المباشر					
10	يتم اكتساب المعرفة من خلال تشكيل مجموعات تجمع بين الموظفين من مختلف الاقسام					

المحور الثاني: يقيس هذا المحور درجة ممارسة الموظفين لعملية تخزين المعرفة وتنظيمها ويقصد بها تلك العمليات التي تشمل الاحتفاظ بالمعرفة وادامتها بحيث يسهل الوصول اليها والبحث عنها.

الرقم	الفقرة	موافق بشدة	موافق	محايد	غير موافق	غير موافق بشدة
1	تحتفظ الإدارة بسجلات وتقارير للمشكلات السابقة للاستعانة بها مستقبلاً					
2	يتوفر في البنك نظام أرشفة وتوثيق فاعل ومتاح لجميع الموظفين للوصول الى معرفة جديدة					
3	يحرص البنك على عمل نسخ احتياطية للمعلومات بشكل مستمر					

4	يتم الاحتفاظ بالمعرفة على شكل تقارير يتم تحديثها باستمرار ويسهل الوصول اليها عند الحاجة					
5	تهتم الادارة بالحفاظ على الموظفين ذوي الخبرة والمعرفة وعدم انتقالهم لمكان اخر					
6	يوجد شخص مسؤول عن جمع معلومات وأفكار العاملين لتدوينها في سجل يسهل الوصول إليه					
7	يقوم الموظفون بتدوين وتسجيل كل ما يحدث لهم من مواقف ومعلومات جديدة تفيد العمل وترتبط به					
8	استخدم الاساليب الالكترونية لحفظ وتخزين المعرفة في البنك					

المحور الثالث: تحدد الفقرات التالية درجة ممارسة الموظفين لعملية توزيع المعرفة, والتي تعني نقل المعرفة ومشاركتها بين الموظفين من خلال خبراتهم ومهاراتهم من اجل تنمية وتنظيم المعرفة لدى كل واحد منهم.

الرقم	الفقرة	موافق بشدة	موافق	محايد	غير موافق	غير موافق بشدة
1	تحرص الإدارة على عقد اجتماعات دورية مع العاملين بها					
2	يتم تبادل المعلومات والخبرات بين جميع العاملين في المستويات الإدارية المختلفة					
3	تنظم الإدارة ندوات ومؤتمرات وورش عمل للمساهمة في تبادل خبرات ومهارات الموظفين					
4	التفاعل المباشر بين الموظفين والعملاء يؤدي الى زيادة في اكتساب معرفة جديدة					
5	لدى الموظفين علاقات اجتماعية مع بعضهم البعض					
6	يتعاون الموظفين في الاستفادة من التجارب والخبرات المتراكمة لديهم					
7	يوفر البنك تقنيات تسهل وتتيح التشارك في المعرفة بين الموظفين مثل (البريد الالكتروني, الاجتماعات, مساعدة الخبراء)					
8	تعقد الدائرة التي اعمل بها اجتماعات للعصف الذهني وتبادل الافكار					
9	يشجع البنك موظفيه على تبادل المعلومات والافكار لخدمة العملاء					
10	تتيح إدارة البنك الوقت والجو المناسب اللازمين للموظفين لتبادل المعلومات والأفكار					

المحور الرابع: تقيس الفقرات التالية مدى تطبيق المعرفة من قبل الموظفين, والتي تعني استخدام المعرفة في الوقت المناسب.

الرقم	الفقرة	موافق بشدة	موافق	محايد	غير موافق	غير موافق بشدة
1	يستخدم الموظفين المعلومات المكتسبة في تحقيق الاهداف المرجوة للبنك					
2	يوظف الموظفون معلوماتهم ومعرفتهم في حل المشكلات التي تواجههم					
3	يسمح البنك للموظفين من تطبيق مهاراتهم وخبراتهم الخاصة في مجال العمل					
4	هنالك خطة واضحة ومكتوبة لدى الموظفين في تطبيق المعرفة في مجال العمل					
5	يساعد المسؤول المباشر موظفيه في تطبيق معرفتهم على ارض الواقع.					
6	يحث المسؤول المباشر موظفيه على تطبيق المعرفة في حياتهم العملية					
7	يضع البنك ضوابط لإدارة المعرفة بين الموظفين					
8	تساعد ادارة المعرفة في البنك على تقديم خدمات مميزة لعملاء البنك					

- **القسم الثالث: استخدام الابتكار المالي.**

تقيس العبارات التالية دور ادارة المعرفة في تحقيق الابتكار المالي للبنوك, ونعني بالابتكار المالي: ايجاد خدمات ماليه جديدة يمكن تقديمها لمعتمدين البنك.

الرقم	الفقرة	موافق بشدة	موافق	محايد	غير موافق	غير موافق بشدة
1	لدى البنك طرق مبتكر في سرعة وسهولة تقديم الخدمة للعملاء					
2	يستخدم البنك التكنولوجيا المالية من اجل تقديم خدمات مالية مبتكرة مثل التطبيق البنكي والمواقع الالكترونية والصرافات الالية					
3	يطور البنك الخدمات الالكترونية بشكل دائم ويسعى لتحديث واضافة خدمات جديدة					
4	يهتم البنك بالتغذية الراجعة بخصوص جودة الخدمة المقدمة من خلال الموظفين والمعتمدين					
5	يدفع البنك العمل باتجاه الابتكار بهدف تحقيق وتعظيم ارباحه					
6	يضيف الابتكار المالي ميزة تنافسية للبنك عن غيرة من البنوك الاخرى					
7	إدارة المعرفة تزيد من تطوير برامج وخدمات جديدة					
8	إدارة المعرفة تزيد من تحقيق المرونة المطلوبة لتلبية مطالب السوق المتغيرة					
9	تعمل إدارة المعرفة المتوفرة في البنك على مساندة عملية الابتكار					

اشرف على عملية تحكيم الاستبانه كلا من:

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د. احمد حرز الله	جامعة القدس ابو ديس
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ملخص الدراسة

تسعى هذه الدراسة الى اختبار ادارة المعرفة وعلاقتها مع الابتكار المالي في البنوك التجارية الفلسطينية، ولذلك قام الباحث بتسليط الضوء على عناصر ادارة المعرفة والتي تتكون من توليد وتخزين وتوزيع وتطبيق المعرفة، ليتمكن من ايجاد العلاقة بينها وبين الابتكار المالي ومدى تأثير كل عامل من هذه العوامل على الابتكار المالي. تم جمع البيانات من خلال الدراسات السابقة والتي تشير الى وجود علاقة إيجابه بين ادارة المعرفة والابتكار المالي والتي بدورها تؤثر ايجابا على اداء البنوك. ولإتمام هذا الهدف فقد تم استخدام استبيان لاستطلاع رأي الموظفين في البنوك التجارية الفلسطينية، وكانت عدد الاستجابات 451 حيث تم توزيع الاستبانة على فئات مختلفة من موظفي البنك (موظف اداري / فرع، رئيس قسم / دائرة، نائب مدير، مدير) والذين يعملون في 4 بنوك تجارية فلسطينية. وكانت نتائج الدراسة تتوافق مع الفرضيات التي تم طرحها حيث اثبت الباحث ان عامل توليد المعرفة هو أكثر عامل يؤثر في الابتكار المالي ومن ثم يأتي عامل تخزين وتوزيع المعرفة على التوالي في المقابل فان عامل تطبيق المعرفة كان الاقل تأثيرا، علما بوجود مؤشرات ايجابية لجميع العوامل مما يتوافق مع الدراسات السابقة التي تم التطرق لها في هذه الدراسة. وقد توصلت الدراسة الى اهم التوصيات والتي تهدف الى تعزيز دور ادارة المعرفة في البنوك والسعي لتطويرها في ظل موجود منافسة قوية حيث ان ادارة المعرفة ترتبط ارتباط وثيق بالابتكار المالي والذي بدوره يزيد من منتجات البنوك التي تعود عليها بالربح وتحافظ على الاستمرارية في المنافسة.

الكلمات المفتاحية: إدارة المعرفة، الابتكار، الابتكار المالي، توليد المعرفة، تخزين المعرفة، توزيع المعرفة، تطبيق المعرفة.