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## **Effect of Organization Learning Capacity on Firm Innovative Performance with the Moderation of Co-creation: Evidence from Pakistan Banking Sector**

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### ***Abstract:***

*So many researchers at present work a lot on employee performance, here I see the affiliation of organization learning capacity and firm innovative performance while co-creation act as moderation. System orientation, climate for learning orientation, knowledge acquisition and utilization orientation, and information sharing and dissemination orientation are the dimensions of organizational learning capacity (Çömlek, Kitapçı, Çelik, & Özşahin, 2012; Goh & Richards, 1997; Huber, 1991; G. T. M. Hult & O. Ferrell, 1997; Jaworski & Kohli, 1993; Sinkula, 1994; Teo, Wang, Wei, Sia, & Lee, 2006) while approach to innovation, interaction with business market environment, product development, innovation process management and human resources are the dimensions of firm innovative performance (Çömlek et al., 2012). Firm innovative performance are further followed by five firm innovative performance levels i.e. chaotic level, insufficient level, acceptable level, high level, and excellent level (Lendel & Varmus, 2014). Customer participation behavior, and customer citizenship behavior collectively explain co-creation effect as moderation (Yi & Gong, 2013). The survey supports to find out the link between organization learning capacity and firm innovative performance with the assistance of evaluation levels and effect of co-creation on the relation of these two. The survey is accompanied on 300 employees from eight banks of Pakistan i.e. Allied Bank LTD, Bank Alfalah LTD, Bank AlHabib LTD, Summit Bank, Meezan Bank LTD, JS Bank LTD, MCB LTD, and HBL. The data acquired from this survey is evaluated by using SPSS statistical packaged software. Descriptive analysis, factor analysis, reliability analysis, correlation and regression analysis are used to calculate the results. Results shows that the model is significant and relation is positive.*

***Keywords:*** firm innovative performance, organization learning capacity, co-creation

### **1. Introduction**

In this research, syndicate the three papers and see the results on some renowned banks of Pakistan. The main topics are organizational learning, firm innovative performance and co-creation. They all have different dimensions by knowing all one can deduce that which bank are on which level of innovation. (Bapuji & Crossan, 2004) is the first one who took organization as a learning perspective. This field is so broad and researchers expected that they will do many work in this field focus on academic theorizing, empirical investigation and methodology development (Lyles & Easterby-Smith, 2003). These researchers found out that there was not so much work on organizational learning in service and non-profit organizations. (Shipton, 2006) observed that research in organizational learning field is very diverse and dispersion is very low evidence of overlap between limits. So they all searched the learning in both service and non-profit sectors. The dimensions of organizational learning are system orientation, climate for learning orientation, knowledge acquisition and orientation, and information sharing and dissemination orientation. When talk about firm innovative performance (Penrose, 1959) said that The company power depends not only on the balance of skills, but also on how they are combined. Firm knowledge is also very important in this (Penrose, 1959) took two main properties of knowledge base in firm i.e. scope and coherence. They can measure the diversity of knowledge base by using different aspects for example which projects organizations are doing, what are their planning etc. (Nesta & Saviotti, 2005). Coherence defines the relation between different types of knowledge in organizations. So if the knowledge is same to all aspects it means the level of coherence is good. Later on they developed a method to measure the coherence and find out that if the coherence is good the performance of the organization is also good. (Weinzimmer, Michel, & Franczak, 2011) find out that there is a relation between creativity and firm level performance. Organizations should have that many capabilities so that they can extract the creativity in organizations and focus on firm's performance. An innovation plays an important role in success of every organization. Established companies are also embracing the drive to become more innovative. The word "Innovation" is appearing in corporate mission and vision statements and core capabilities list. The impact of changing economy makes organizations aware about the innovation and they make them innovate by learning the

new terms. Firm innovative performance has approach to innovation, interaction with business market environment, product development, innovation process management and human resources. Company performance and survival in competitive environment depends on innovation and learning capacity. Learning capacity is the key activity for this. Literature shows that organizational learning has been linked with innovation and firm performance. (Fung et al., 2010) state that “organization learning capability is positively and significantly related to organizational innovation”. The organizations that spend or invest on their company will be the successful because they invest on innovation. In this research organization learning capacity has linked with firm innovative performance and co-creation is act as moderating variable. As a result of economic strategies co-creation formed. Organizations take start from this to give value to their customers. In co-creation ideas from all stakeholders are mixed and used to enhance the value of customers. Co-creation is very important in both service and non-profit organizations. (Grönroos & Voima, 2013) declared that co-creation is the process of interaction. This process is used to join the organization and all the stakeholders, it depends that they continue this by using direct pathway or indirect pathway. Customer participation behavior and customer citizenship behavior is used as the two main dimensions of co-creation (Yi & Gong, 2013). These dimensions have different elements, like information seeking, information sharing, responsible behavior, and personal interaction are the elements of customer participation behavior. Feedback, advocacy, helping and tolerance are the elements of customer citizenship behavior. Elucidation of all will be explained later. It is necessary that the company should know the key factors who effect the evaluation on innovative performance because after knowing that factors they should know their level of performance because different business have different views about innovative performance. It is necessary to know the current level of innovative performance, so that you can give recommendations for improvements so there should be a method for their evaluation. In this research organizational learning capacity act as regressor, firm innovative performance as regressand and co-creation as a moderator. By using this moderation the level of innovation in different famous banks of Pakistan are explained.

The base of innovation performance is best explained by (Birchall, Tovstiga, Morrison, & Gaule, 2004) because according to them provisions for assessing the effectiveness of the innovation activity is included in business success. So there should be some levels or inputs on which organization performance will be measured. (Birchall et al., 2004) enlightens that there should be balance between soft and hard innovation parameters for effective short term and long term innovation decision making. (Ryan, 2010) also explains the relation between innovative performance and their implementation. (Anderson & West, 1998) explained that “*there are some factors that influence the innovation performance that are strategy, structure, culture and external environment*”. (Hamilton, 2004) According to Booz Allen Hamilton all organizations have intrinsic innovation performance curve it can be easily plotted when you compare the net present value and investment of each projects. This curve is important as it predicts the future revenue, profit and growth of the innovation or the innovation performance of the organization. (Neely & Hii, 1998) explains the importance of innovation performance firstly feedback is important and find the gaps between the standard will give you the chance for improvement. If the performance in the organization is not measured the innovation will not be managed effectively.

## 2. Literature Review

### 2.1. Organizational Learning

Organizational learning thought has been first emerged in 1970's and demarcated as to find errors and give clarifications to them. Every organization has their learning system which is used by employees and interpret as simple or complicate (Daft & Weick, 1984). Argyris has defined organization learning as “*detecting the error and fixing process*”. (Argyris & Schön, 1996). “*organizational learning is the knowledge between the organizational action and its environment*” (Daft & Weick, 1984). Organizational learning is multilevel in the sense that it depends on learning at the individual, group and organizational level (Collinson, Cook, & Conley, 2006; Mary M Crossan, Henry W Lane, & Roderick E White, 1999). Organizational learning contains entrenching new knowledge and practices in organizational theories in use or routine (Collinson et al., 2006). *Organizational learning is the complex, multidimensional construct occurring at different cognitive levels..... And encompassing multiple sub processes.* (Slater, Mohr, & Sengupta, 1995). Kurt Lewin identifies three phases of learning: defreezing, moving/reinforcing, and freezing. Most of the people dislike refreezing because they have fear of unknown or sometimes they don't want to change their current state or they are not ready to accept a new change (Khan, 1999). The thought of organizational learning is spread by (Senge, 1990) who discussed that organizational learning integrates the five disciplines of system thinking, personal mastery, mental models, shared vision, and team learning. Further (Sinkula, 1994) argued that organizational learning is composed of a set of learning foundations i.e. shared vision, learning axioms, cross-functional teamwork, open mindedness and experience sharing. There are different levels of learning each having a different influence on performance of the organization. Individual learning is important in organization and organizational learning is the combination of each member learning. Innovativeness and new insights have a circular relationship in learning in that they create and reinforce learning. The process by which organization adjust in their environment includes change, learning and adaptation. (Fiol & Lyles, 1985). (Cyert & March, 1963) diagnose success programs, goals, and decision rules as illustrative of learning based on routine. Lower level and higher level learning also influence the performance in the organization. Lower level learning occurs within a given organizational structure, a given set of rules as compare to this higher level learning intentions at adjusting over all rules and norms rather than specific activities (Fiol & Lyles, 1985). (Mary M. Crossan, Henry W. Lane, & Roderick E. White, 1999) enlightened organizational learning as four processes i.e. intuiting, interpreting, integrating, and institutionalizing connecting the individual, group and organizational levels.

### 2.2. Organizational Learning Capacity

When learning environment in the organization is positive it increases the creativity which directly increase the performance in the organization. “*Knowledge and the capacity to develop knowledge which is referred as the organizational learning capacity are two major resources in generation of added value in the supply chain*”(Hult, Ketchen, & Reus, 2001). For the development of organizational learning, Nevis suggests a Facilitating factors and modification of the learning orientation strategies. The combination of these two are applied in a synchronized way or they thought that it can be used as alternative strategy in the organization (Goh & Richards, 1997). System orientations, climate for learning orientation, knowledge acquisition and utilization orientation, information sharing and dissemination orientation are major topic in the development of learning capacity (Teo et al., 2006). An organization’s capacity to share knowledge among its individuals and teams and apply that shared knowledge to performing important activities in increasingly seen as a vital source of competitive advantage in many industries (Dierickx & Cool, 1989; Grant, 1996; Hass & Hansen, 2007; Kogut & Zander, 1992; Teece, Pisano, & Shuen, 1997). Based on (Sinkula, 1994) organizational learning has many sub processes it includes information acquisition, information dissemination, and shared interpretation. (Jaworski & Kohli, 1993) explained that formation acquisition, information dissemination, and organizational responsiveness are measure of intermediate outcomes of organizational performance. (G. T. M. Hult & O. C. Ferrell, 1997) present a model in which he defines the dimensions of organizational learning capacity i.e. team orientation, system orientation, memory orientation, and learning orientation. According to (Huber, 1991; Slater et al., 1995; Tippins & Sohi, 2003) following are the dimensions of organizational learning: knowledge acquisition, information distribution, information interpretation, and organizational memory.

### 2.3. System Orientation

Basically system orientation is the integration of different knowledge. One can see the whole picture of the organization. “A system cannot be solved by analyzing each of the parts differently”(Senge, 1990) so it means to see the whole structure is very important. It means it’s necessary to find the relation between the parts of business. Senge explains that “*seeing the relationship between the parts composes a leverage effect*”(Senge, 1990). So it means if anything wrong happen to organization not only effect the part but it effects the whole organization. It should be clear that to see the full range of organization. “*System orientation makes us to see the events totally and helps us to change these events effectively when needed*”(Teo et al., 2006). System orientation shows relation between different variables or it sees the cause effect relationship. Different researchers take different perspectives for system orientation.(Senge, 1990) consider system orientation the most important characteristic. Learning is a continuous process you can also see this on culture. System thinking is a discipline for seeing totalities. (Senge, 1990). A system orientation focuses on structuring and making sense of multiple inputs which present the broad picture of the organization.(G. T. M. Hult & O. C. Ferrell, 1997) it means system orientation is very important for the organizational learning because it guides the organization’s cognitive levels of learning.(Senge, 1990; Slater et al., 1995)

### 2.4. Climate for Learning Orientation

Cognitive schema approach and shared perception approach are the two common approaches which defines climate (Anderson & West, 1998; Ashforth, 1985; James & Jones, 1974). If organizations create climate for learning it better measure the performance(Marquardt, 1996). It is vital part of organizational culture. Individual and group learning behaviors are also improved if culture supports the learning environment. Many researchers said that this type of climate is approaches to continuous learning(Schein, 2010). If any organization want to be successful so it is crucial that they support learning environment and encourage positive organizational culture. Any organization will be flourishing if they make the education and unremitting improvement are as key feature(Hult et al., 2001). Booming organization is considered by the outcomes based on performance and culture of the organization. With the changing environment values also changed so if structure and environment of organization is flexible then they accept new skills and analyze the necessity of new skills. If learning is encouraged by leaders then it is more effective for organization.(DiBella, Nevis, & Gould, 1996) In organizations learning culture grant the ways to grow the product and enhance the capabilities then all the members think collectively. (Jaworski & Kohli, 1993)(Slater et al., 1995) elucidated that there are many challenges for business the one is to create the amalgamation of culture and climate that take advantage of organizational learning and on how to attain competitive advantage in market. Another important component of organizational learning is set of fundamental axioms that the organization holds regarding the value it places on learning (Normann, 1985). Organizational climate is a relatively enduring quality of internal environment of an organization that is experienced by its members, their behaviors, and business values. Organization climate means it is a set of different characteristics which distinguish the one organization from other organization in perspective of learning facilities (Woodman & King, 1978).

### 2.5. Knowledge Acquisition and Utilization Orientation

Knowledge acquisition is the process by which knowledge is obtained. Organizational activities are intended to acquire knowledge or information. Researcher gets the information from both formal and informal ways. Following are the five processes through which organizations acquire knowledge: congenital learning, experiential learning, vicarious learning, grafting, and searching (Huber, 1991). In this innovativeness, continuous improvement and technology is included. Acquiring knowledge and use it in a betterment of organization is directly affect the performance of organization and it also helps the organizational learning capacity (DiBella et al., 1996; Marquardt, 1996; Teo et al., 2006). Learning is a continuous process and organization firstly makes certain which type of knowledge is supportive in organization. Huber et al explained that *continuous improvement of knowledge is the key point for the organization(Huber, 1991)* Nonaka and Takeuchi specified that “*acquiring knowledge has a loop effect and increase the total*

*knowledge of the organization*(Nonaka & Takeuchi, 1995)” It will be helpful for organization if new knowledge is explore and implement in organization because it will smooth the progress of the learning(Argote, 1999; Huber, 1991). According to (Sinkula, 1994; Slater et al., 1995; Tippins & Sohi, 2003) information can be acquired by three different sources i.e. by direct experience, by experience of others and by organizational memory mechanisms. Direct experience can be internal or external focus.(Jaworski & Kohli, 1993) give example that through informal discussions with customers you can get the information by others experience. All organizations are to some extent knowledge intensive (Alvesson, 1993).some organizations has knowledge as a core product, provide knowledge to the public as their main activity, or have mainly knowledge workers, that is, experts developing and providing knowledge (Starbuck, 1992; Willem & Buelens, 2007). The knowledge acquisition and learning process in international context involve three stages: knowledge assessment, knowledge sharing and knowledge assimilation (Zou & Ghauri, 2008).

### 2.6. Information Sharing and Dissemination Orientation

It means how accessible the knowledge you have or how easy for you to access the knowledge in the organization(Hult et al., 2001). Knowledge is viewed as a process of sharing and creation (Leung, 2009; Nonaka & Toyama, 2003) Communication plays a vital role in the success of organization if organizations have good communication with other departments then it will help the learning process(Sinkula, 1994). Huber, also give his views on knowledge sharing and said that explore different sources of this which will help in spread of organizational learning capacity(Huber, 1991). Dissemination means how valuable the knowledge is for you and for the organization(Nonaka & Takeuchi, 1995). Culture plays very important role in success of any organization it helps in learning environment and sharing of knowledge. Internal appraisals are also very beneficial for organization because every person has its own views and ideas about any topic. If knowledge sharing is continuous then it will be valuable if organization correspond to the new technologies and environment conditions and later on it will be the organizational culture. Information sharing is the process through which information is shared by different sources and gets new information and sources. Information distribution is a determinant of both the occurrence and breadth of organizational learning. Information interpretation is the process by which distributed information is given one or more commonly understood interpretations (Huber, 1991). (Daft & Weick, 1984) explains that the process through which information is given meaning is called information interpretation. The process of translating events and emerging shared understanding and conceptual patterns. The value of new information depends on how accurate the information is, what are the characteristics of the firm and nature of industry it operates in (Raju & Roy, 2000). Shared interpretation also plays a role in the future acquisition and interpretation of information (Slater et al., 1995). Knowledge sharing can involve two distinct ways of transferring knowledge across organization's subunits. The first is through direct contact and is called personal advice usage and second is through written documents and are called electronic document usage. These both are used when someone seeking to obtain knowledge from other parts of organization (Cummings, 2004; Morten T Hansen, 1999; Hass & Hansen, 2007; Reagans & McEvily, 2003; Tsai, 2001). Scholars espousing a relational approach to knowledge sharing have mainly focused on the characteristics of established informal relations that facilitate or impede the sharing of knowledge in organization (Morten T. Hansen et al., 2005; Levin & Cross, 2004). Technical and people oriented are two mainstream of knowledge management. Technical perspective accentuates on capturing, processing and disseminating organizational knowledge through effective management of organizational databases and categorization of people's implicit knowledge (Holtshouse, 1998; Leung, 2009; Teece, 1998).

### 2.7. Firm Innovative Performance

Every organization should know the meaning of innovative performance so that they make their strategy according to that(Hagedoorn & Cloudt, 2003) Innovative performance is basically the outcomes for organizations that how they collect the information from market, finds out the needs of organization, makes plans and strategies and then implement on organization. Andy searched impact of organizational form on innovation performance in different commercial environment. It focuses on combination of centralization of decision making and formality of structure influence innovation performance and whether different combinations perform better in technically turbulent environments and at different stages of a firm development. (Hurley & Hult, 1998) point to that higher level of innovativeness in the firm's culture is linked with a greater capacity for adaptation and innovation that accentuate learning, development and participative decision making. (Zaltman, Duncan, & Holbek, 1973) propose that initiation and implementation are the two different stages of innovation process. The two innovation constructs are innovativeness and capacity to innovate. Innovativeness is the notion of openness to ideas and adaptation in culture and innovativeness in culture is the measure of innovation in the organization. Capacity to innovate is the ability of the organization to adopt or implement new ideas, process, or products successfully (Burns & Stalker, 2006).

(Lendel & Varmus, 2014) find five levels for evaluation i.e. chaotic level, insufficient level, acceptable level, high level and excellent level. They measure different parameters find gaps, explore the areas where improvement is needed, also find the key elements for these level that on which basis they find that levels.

Level	Characteristics
<b>Chaotic Level</b>	Don't have primary interest in working with innovation and generate innovative activities. Management has no idea about innovation. They don't know how to avail innovation opportunities. Business doesn't develop new initiatives. Communication is not good in organization even employees don't know about the vision and mission of the organization. This type of organization has unsatisfactory type of business structure.
<b>Insufficient Level</b>	This type of innovation starts their efforts in innovation. The management got idea about short term business plans. They use the term innovation and invention but they don't have any reliable approach. Employees make responsible for their task. On this level flow of information is very low.
<b>Acceptable Level</b>	These types of business meet least level of innovation performance. In this they also make long term plans and also manage the resources. Innovative ideas are generated in business and employee work hard for the new innovative ideas. Corporate communication is still not secure on this organizational structure.
<b>High Level</b>	They want to become the crown innovators. Management support and work for the better innovation. Creativity and imagination is raise in employee for better ideas and work. On this level corporate communication as well as security of information flow is efficient.
<b>Excellent Level</b>	They are in the group of crown innovators. Management fully supports the employees for innovation and also provides resources. Problems are solved by lateral thinking. Management and employees create a favorable environment for future innovation.

Table 1: Levels of innovation performance in business(Lendel & Varmus, 2014)

They measure different parameters find gaps , explore the areas where improvement is needed ,also find the key elements for these level that on which basis they find that levels. (Birchall et al., 2004)(Lendel & Varmus, 2014) analyses that innovative performance is the function of different parameters i.e.

$$I_p = f(A_I, I_{BE}, P_D, I_{PM}, H_R)$$

Where:

$I_p$  – Innovation performance  
 $A_I$  – Approach to innovation  
 $I_{BE}$  –interaction with the business market environment  
 $P_D$  – product development  
 $I_{PM}$  – innovation process management  
 $H_R$  – Human resources

Dimensions	Characteristics
<b>Approach to Innovation</b>	The mission and vision are clearly defined and mission includes the work related to innovation. For better services and process management always look towards new ideas. Organizations also provide training sessions where needed. They also make new strategies for innovation. And they also introduce the concept of continuous learning.
<b>Interaction with The business Market environment</b>	The organizations do internal and external appraisals so that they also know the demands of their customers and they make better services or product for their satisfaction. At each stage they keep the idea of innovation in their minds. They also search for new market opportunities.
<b>Product Development</b>	They continuously make their products better. They compare their products with their competitors so that they know the difference between them. Businesses mostly do internal research and product development. They have active communication so that they assess the success of their projects.
<b>Innovation process Management</b>	Business made different groups or teams and they work for innovative projects. They track their competitors. By using different techniques they search and evaluate the market and business also. Like SWOT analysis, TQM etc. They make system for generation good ideas, better products etc. their businesses should be flexible so that they can adopt and change according to the situation.
<b>Human resource</b>	Employees are the assets of any organization. More than 75% employees work for the innovation. Business structures give platform for innovation. Provide trainings for success and development of products. They give empowerment to their employees so that they work better and it works on all levels. Compensation system is also introduced in organizations.

Table 1: Characteristics of particular elements of innovative performance(Lendel & Varmus, 2014)

## 2.8. Co-Creation

Co-creation is the strategy used to manage the different parties so that they work together for the better performance and benefits of organization as well as customer. In co-creation different types of ideas are extracted as a result of feedback from employees. If we are talking about value co creation we need to develop some scale. Different studies are used to develop the scale for value co-creation of

customers. According to (Yi & Gong, 2013) this scale consists of two dimensions one is customer participation behavior and second one is customer citizenship behavior. These dimensions are further composed of four elements.

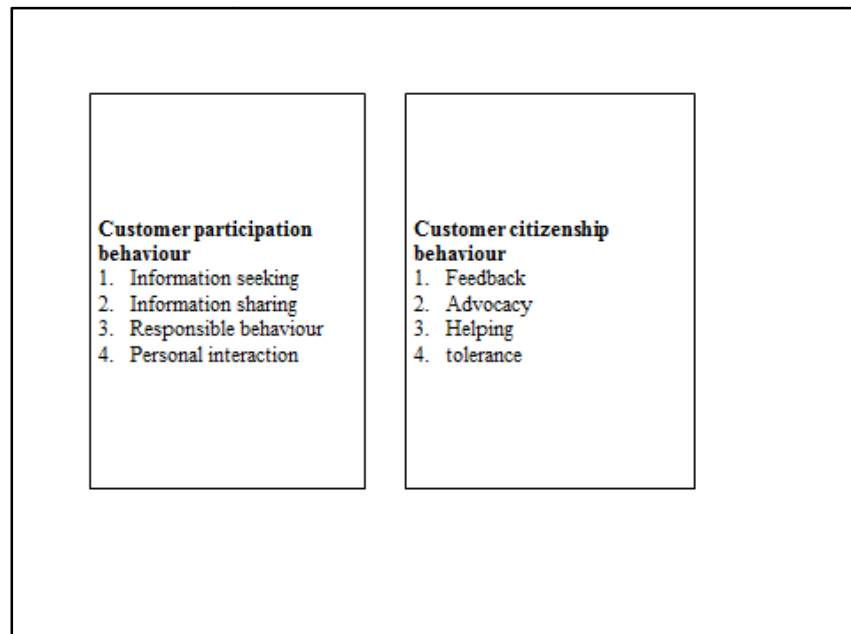


Figure 1: Dimensions of Co-Creation

Most of the researcher gave this classification as in role behavior and extra role behavior. They said customer participation behavior is in role behavior while customer citizenship behavior is extra role behavior. Customer participation behavior is important for successful value co creation while customer citizenship behavior is not essentially requisite for value co creation. (Groth, 2005) elucidated that in-role and extra-role behaviors have different impressions and they follow the different routes to work. So, past studies show that researchers used various ways to measure the customer participation and customer citizenship behavior. In information seeking customers are in search of information which fulfills their requirements and satisfy them (Kellogg, Youngdahl, & Bowen, 1997). Customers also want the detailed information about services because satisfaction is main requirement. For successful value co-creation information sharing is also very important because customers need the basic information about service or product (Lengnick-Hall, Claycomb, & Inks, 2000). If customers are aware of their duties they show that their behavior is responsible for value co-creation. By doing this they fulfill the requirement for value co-creation (Ennew & Binks, 1999). If the interaction between customers and employees are good it will be good for organization. With this interaction employees exactly know the demands of customers and serve them according to that so, it means interpersonal relations are also very important to create value co-creation (Kelley, Donnelly Jr, & Skinner, 1990).

### 3. Research Methodology

The research methodology used for this research is questionnaires filled from renowned banks of Pakistan. The data is collected from eight renowned banks of Pakistan these banks are famous because of their services, different packages they provide to their customers and many more advantages. The names of the banks are Allied Bank LTD, Bank Alfalah LTD, Bank AlHabib LTD, Summit Bank, Meezan Bank LTD, JS Bank LTD, MCB LTD, and HBL. The sample size is 300 and probability sampling is used mostly stratified sampling. Questionnaires are filled by 219 females and 81 males. Questionnaires have 5 Likert scales. In the questionnaire it has 47 questions related to all variables and their dimensions. It contains four questions on system orientation, 3 questions on climate for learning orientation, 5 questions for knowledge acquisition and utilization orientation, 2 questions on information sharing and dissemination orientation, 5 questions on approach to innovation, 3 questions on interaction with business market environment, 3 questions on product development, 5 questions on innovation process management, 4 questions on human resources, 6 questions on customer participation behavior and 7 questions on customer citizenship behavior.

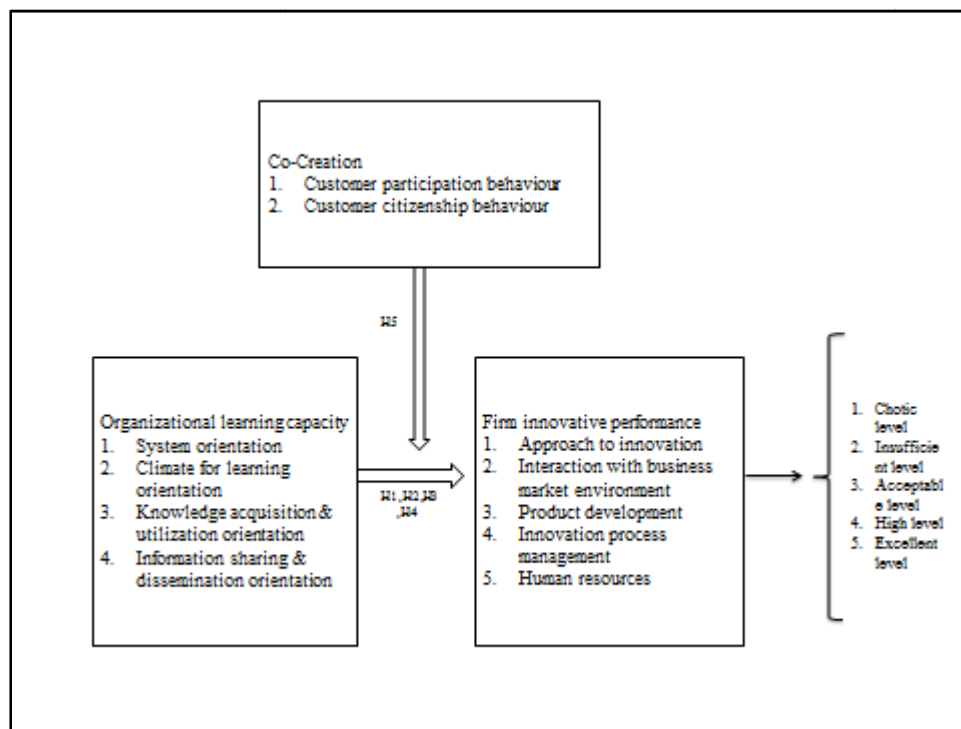


Figure 2: Theoretical model (Çömlek et al., 2012; Lendel & Varmus, 2014; Yi & Gong, 2013)

In this research we made five hypotheses which explain the relation of organizational learning capacity with firm innovative performance and also conclude the moderation effect. The data acquired from this survey is evaluated by using SPSS statistical packaged software. The earlier literature explicated that organizational learning capacity improved the firm innovative performance in the organization so as an outcome we advise five hypotheses.

- $H_1$ : system orientation has positive relationship with firm innovative performance.
- $H_2$ : Climate for learning orientation has positive relationship with firm innovative performance.
- $H_3$ : Knowledge acquisition & utilization orientation has positive relation with firm innovative performance.
- $H_4$ : Information sharing has positive relation with firm innovative performance.
- $H_5$ : Moderation of Co-creation on organizational learning capacity is positive on firm innovative performance.

#### 4. Results, Discussion & Analysis

In this research we have proved five hypotheses, for the  $H_1$  the relation between system orientation and firm innovative performance. The significant value for these two variables are .070 it is greater than .05 it means these two are not significant or the relation of these two variables are not significant. T value is 1.826 it is also less than the standard value so it means the relation of these two variables are insignificant. So for the first hypothesis it is accepted that the relation is positive but for the output it is shown that it is not so strong. The F value for these two variables is 3.3. For  $H_2$  relation between climate learning orientation and firm innovative performance is positive and significant. Its R square value is .036 or 3.6% it shows the 3.6% variability in firm innovative performance is due to climate learning orientation. F values depicts that the model is significant i.e. 5.46 with the significant or P value of 0.021 and the T value is 2.338 these all data shows that the relation between these two variables are significant. The F value of  $H_3$  is .036 same as  $H_2$  which explained the 3.6% change in firm innovative performance is due to knowledge acquisition and utilization orientation. F value shows that the model is significant with the value of 5.54; T value and P value are also significant so the whole relation is significant.  $H_4$  is the relation between information sharing and firm innovative performance and analysis shows that this is significant; F value, P value and T value are 4.27, .040, and 2.067 respectively. At the end see the effect of moderation we explained that the relation between dependent and independent variable is significant and positive because the F value is 7.268 and 4.7% variability in firm innovative performance is due to organizational learning capacity, the relation of organizational learning capacity and co-creation is also positive and strong its F value is 11.416 and it is also significant and positive at the end relation of all three variables are significant and positive with 8.820 F value.

So from all the results we conclude that all the hypotheses are accepted because all have positive relation with firm innovative performance and model is also significant it means we select the good variables with good dimensions. Limitation for this study is that we can choose convenient sampling because of rules and regulations in Pakistan banking sector in future research maybe we can predict the same model with some other sector. We can also change the hypotheses and prove them according to our research area.

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