

Research Paper

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# Identifying the dimensions and components of smart network governance in the country's banking system

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**Abstract**


The purpose of this research was to identify the dimensions and components of smart network governance in the country's banking system. This research was conducted qualitatively using thematic analysis method. The participants of this research were upstream documents in the library department, and managers and experts of banking system of the country in the field department. People were selected by purposive sampling with the criterion of at least 10 years of teaching and research experience in the field of management. Sampling was done with the participation of 10 experts. The data collection tool consisted of two parts: review and exploration of research literature and upstream documents in the library part, and semi-structured interview in the field part. The semi-structured interview with the participants continued until the theoretical saturation stage. The method of analyzing the interviews was done using thematic analysis method (basic, organizing and inclusive themes). The process of coding and textual analysis of the interviews was done in the qualitative data analysis software MAXQDA 2018. The results showed that the smart network governance model consists of seven dimensions of behavioral factors, structural factors, mechanism factors, comprehensive development, legal considerations, information and communication technology, stability and economic prosperity, along with 26 indicators.

**Keywords:**

Network governance,  
intelligent governance,  
banking system,  
comprehensive  
development

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## **Extended Abstract**

### **Introduction**

The banking system plays a role as a part of the country's economic system, and in the best case, it can effectively fulfill the assigned missions. The effectiveness of the banking system will be possible when the other elements and parts of the country's economic complex are in their place and have a proper performance and can have a convergent interaction and participation with each other. In other words, if a country does not have appropriate and integrated economic, financial, commercial and industrial strategies, then it causes sub-optimal distribution of resources and actually will be like a surgery scalpel that is used incorrectly, even if the banking system plays its role properly. The connection and fusion of economic issues with the banking industry is an undeniable issue, so that whenever there is talk of the economy and improvement in the economic situation, a task is quickly assigned to the banking network and a significant share of the supporting factors goes to the banking industry. According to the majority of economic experts in Iran; this country has a bank-oriented economy, this coefficient of adhesion is much more evident; and for this reason, the banking network is expected to support and advance the economic goals. Therefore, in such conditions, compliance with banking requirements and standards to maintain the health of the bank's mechanism in the cycle of equipping and allocating financial resources under stable conditions is of particular importance and emphasized by all those involved in the country's economic system. One of the most important of them is the challenges faced by the public sector in the production of public goods and services (ibid). Network governance has been proposed as one of the desirable methods of governance means increasing the ability to solve sustainable issues in the fields of political, social and economic (Rashidi et al, 2021). This governance is done by cooperation between different stakeholders in the government, improving participation, increasing the integration of different resources, taking advantage of the capabilities of different stakeholders, and supporting collective action. One of the most important changes created by network governance (Kashyap et al, 2020) is increasing the importance of the network in the process of policy formulation, implementation and coordination of policy making programs and providing public services. The two main dimensions of network governance are structure and network actors. Actors of the network are determined to lead a specific program in this direction with the goal of the network and cooperate with each other (Martin, 2013).

According to the issues raised, what the researcher seeks to explain in this research is the design and development of a smart network governance model for the banking system of Iran using the network analysis decision-making technique based on behavioral, structural and mechanistic dimensions; which wants to identify, examine and explain them so that through them a new concept of social concepts can be introduced in the field of banking management to determine how the role and decisions of political, social and economic actors in the banking fields of the country with respect of the components of smart network cooperation and the participation of different groups and the influence of these components will play a role in the decision-making of actors in the administration of economic and banking affairs of the country. According to what has been said, the main research question is: what are the characteristics of the smart network governance model for the banking system of Iran? And to what extent is it valid?

### **Theoretical framework**

In the most general usage, governance is emphasized on the movement from the previous approach called government (a top-down legislative approach that aims to regulate the behavior of individuals and institutions in a specific and completely detailed way) towards

governance (an approach that tries to adjust the parameters of the system in such a way that regulate the individuals and institutions act within it and as a result self-regulation is created and the system achieves the desired results) or the replacement of "exerting power on" with "giving power to" (Rashidi et al, 2021). Governance in public administration, in addition to paying attention to the activities of the aforementioned boards, mainly considers the supervisory and budgeting role of government organizations. This role of government organizations becomes more important regarding the activities of private organizations that conclude contracts for the provision of public services (Hill and Lynn, 2005). It also defined as "structures and processes by which people in society adopt decisions, set rules and share power" (Folke et al, 2005)

Smart governance includes political and active participation, citizen services and smart use of e-government. In addition, smart governance refers to the use of new communication channels, such as electronic government or "electronic democracy" (Pereira et al., 2018). Smart network governance in the country's banking system has the following dimensions.

### Methodology

The research method of this article is qualitative. It is the applied-developmental in terms of goal, and is in the category of qualitative research of the type of content analysis in terms of the research method (qualitative content analysis can be a research method for the subjective interpretation of the content of textual data through the processes of systematic classification, coding, and thematization or design known patterns). After taking the interviews from the participants and writing line by line the text related to the interviews, the researcher analyzed the texts. In fact, in this method, codes and concepts and categories were identified through the process of systematic classification, and then the factors of intelligent network governance have been identified. In this research, semi-structured interviews were used to present the model of smart network governance. A total of 10 interviewees in this research were interviewed separately. Also the effort was made to include those people in the research who, in addition to the willingness to participate in the interview, have sufficient information about the factors of smart network governance and have practical experience of this issue in their records. The snowball technique was also used to select people and each of the interviewees was asked to provide the researcher with a list of people who have the desire and expertise to participate in a research.

### Discussion and Results

The data analysis has been done using MaxQuda. The research findings showed: The components of designing and compiling the smart network governance model for the banking system of Iran using the network analysis decision making technique include:

- ☐ Behavioral factors
- ☐ Structural factors
- ☐ Mechanism factors
- ☐ Comprehensive development
- ☐ Legal considerations
- ☐ Information and communication technology
- ☐ Economic stability and prosperity

### Conclusion

The purpose of this research was to identify the dimensions and components of smart network governance in the country's banking system. The results showed that the dimensions of the model include: behavioral factors, structural factors, mechanism factors,

all-round development, legal considerations, information and communication technology, economic stability and prosperity, and research components including: relationship characteristics, collaborative characteristics, network normative characteristics. , process-oriented organizational structure, intelligent infrastructure, public outsourcing, digital transformation plan, the formation of integrated electronic government, information technology revolution, intelligent management, information-based smartening, comprehensive information systems and information sharing, bank customer demand, society demand, Political development, economic development, social development, human development, paying attention to high-handed documents, multiple licensing of cements, amending laws and procedures, technology growth, growth of mass communication networks, control of economic crises, stability in economy, and management. The findings of this research are somewhat aligned with Hosseini et al., (2021), and Rashidi et al. (2021). According to the findings of this research, it is suggested in the practical field that it is necessary for banks to encourage people to participate in banking affairs while creating appropriate activities such as facilitating guarantees, facilitating laws related to social capital in the field of women and attracting their participation, correct and timely notification of the bank's plans for loan payments.