The main problem of today's enterprises is to sustain their development and growth, because of the changing environmental conditions and the global competitiveness. Therefore, the concept of knowledge, especially after 1990s’, has begun to be seen as one of the most valuable strategic resource of businesses. Additionally, the concept of knowledge management has been discussed frequently in management research and applications.

Knowledge management is defined as the process of creating, storing, transferring, applying and saving organizational knowledge (Schultze and Stabell, 2004); discovering the sources of required information (Sabherwal and Sabherwal, 2005); the process of gathering, transferring and effective use of information (Davenport, 2001); developing informal knowledge flow among individuals; codifying knowledge in organizations and building systems for sharing (Birkinshaw, 2001). It has been suggested that knowledge management practices has provided many positive outcomes for businesses. In the literature, there is a number of empirical studies about knowledge management, revealing organizational learning, developing new product/service by creating a more suitable environment for innovation (Corso and etc, 2001; Lester, 2001; Sherman etc, 2005), increasing employee performance by improving core competencies (Sabherwal and Sabherwal, 2005), providing competitive advantage (Roth, 2003) and sustainable organizational performance (Bogner and Bansal, 2007).
In this context, the aim of this research is to examine the level of organizational knowledge management skill and practices in banking sector and also whether there is a difference between public and private banks in terms of knowledge management skills. The reason for selecting banking sector as sample is because customer satisfaction, creativity and innovation are so important and the sector is so sensitive to technological development. Therefore knowledge management practices are being used intensively in this sector. The scale used for data collection is “Knowledge Management Assessment Tool” which was developed by American Productivity and Quality Center (APQC) and Arthur Andersen in 1995. It is aimed to analyze the dimensions of knowledge management which are leadership, technology, process, and culture. There are a few studies in this field in literature. So based on the framework and the insights generated by the investigation, the study will lead scholars to new research areas and contribute to business world.

**Keywords:** Knowledge, Knowledge Management, Banking Sector, KMAT.