Impact of Knowledge Management Practices on Organizational Performance; An Evidence From Pakistan

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Abstract—Knowledge management is very important in today's dynamic environment. Knowledge is considered as a prime asset of the organization. Different companies' especially multinational companies manage the knowledge in a proper way in order to gain competitive advantages and in making management strategies and spend a lot of resources to manage it properly and making it useable when needed. Different factors including organizational change, organizational learning and knowledge sharing influences on knowledge management. This study attempts to measure the impact of organizational change, knowledge sharing and organizational learning on knowledge management and as a result, its influence on organizational performance. Questionnaires were considered as a tool to get responses.150 questionnaires were distributed in financial services sector and telecommunication sector. One hundred complete responses were received at response rate 67%. Pearson's moment quotient and linear regression is applied to study the relationship among above discussed factors on knowledge management. Result shows significant association of factors and positive impact on organizational performance. In this study, future directions and research limitations are also discussed.

Index Terms— Knowledge management, organizational performance, organizational change, organizational learning, knowledge sharing

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1 INTRODUCTION

In modern environment the importance of knowledge management has grown significantly. At present we are living in a very dynamic environment, companies by using the previous data are making new innovations and management strategies. It is essential to document and organize data. Expertise, experience and wisdom of old employees can be stored and used for educating new employees. In the current era, knowledge is treated as the prime asset of a firm. Knowledge is a combination of information and practice. Knowledge is important only when practically implemented otherwise it is useless to organize data. Two factors are very important in knowledge sharing process, one is having confidence in knowledge and other is feeling satisfaction in guiding people. However, knowledge management process is effective only if we have complete understanding of knowledge related mechanism in people and organization. Knowledge driven culture flourishes innovation and innovation can bring change in the world. Some how much heed is not given to knowledge management in developing countries like Pakistan.

Knowledge management is essential specially incase of organizational change. Internal factors like death, retirement, transfer, promotion, etc. bring about change in. In a diversified economic environment adaptations of learning and development to acquire new Challenges are taken place. While facing new issues they need to implement new knowledge and plans. And some time factors like culture, coordination among employees and information technology help the organization to success. Similar to a product organization also deteriorates. Decay and the growth cause many issues and problems while

creating new opportunities to intervene the change. The change is important in an organization because it helps in working of organization.

Internal issues like demise, transfer, retirement and promotion etc brings new changes into it. Which present a situation for change. Leaders' aims and objectives are also a reason of the personnel change, which provide antecedent conditions for change. Leaders of the organizations have their own goals. In the pursuit of such goals, changes are brought in the organization. Organizational Change led the organization to explore new opportunities and it can further help the organization in the development of knowledge. When this organizational change takes place few people adjust in the new changed environment while for few people it's still a problem to adjust them. After the Organizational Change the commitment of the stakeholders with the organization automatically gets boost up, and this commitment is beneficent for the Organization. The objective of this study is to find the impact of organizational change, organizational learning and knowledge sharing atmosphere approach on knowledge management practices and its influence on organizational performance.

2. LITERATURE REVIEW

When action learning programs are designed after studying individual Experiences, then there is a doubt that findings are misrepresenting.This can be rectified by using approach in action learning which leads to management control (Loo, 2006). There are levels, which measure learning done or learn-

ing obtained or learning in general or the link between different kinds of learning with performance. This study can put together learning obtained at three levels, learning obtained at three levels, and the result in a single form as organizational presentation or performance (Jyothibabu, Farooq, & Pradhan, 2010).

When we mutually look into organizational innovation and organizational learning to enhance business to gain competitive knowledge. It tells us to focus on improving different strategic capacities to achieve desired level of both organizational problems and this makes our performance better and promotes business. (Garcı́a-Morales, Llorens-Montes, & Verdu´-Jover, 2006). Alterations in organizational systems and structure have made it difficult to understand what adds more to protective dynamics. Learning can be done by supporting new ideas by exact feedback and ignoring old habits. Potential of influential should be reallocated to ease and mix the different feature of learning. (Yeo, 2007)

In the e-memories environment, learning matter is guided by knowledge and ability controlled by virtue of ontologism. Learners can get this knowledge and these skills by doing different, analyzing different matters. If we recall, expertise are cleared by knowledge they allow to place into practice (Abel, 2008). Leadership job executed by NSD executives largely influence the progress of organizational learning ability, which actually concern organizational performance. The usefulness of executive's leadership matters and organizational learning ability growth are symbiotic (Limpibunterng & Johri, 2009).

The result show that a changing structure, an advance to total quality values, and highly qualified employees, could work in favors of learning traditions in organizations. It is very important to have qualified, young, dynamic workers in organization to promote learning culture. (Rebelo & Gomes, 2011)

It was concluded that directing principle growth can be assisted using procedure common to those told for mixing organizational learning, namely, a dialogue-rigorous process including steps of question, deviation and junction. (Oliver & Jacobs, 2007)

Leadership's promise to considerably influence on both performance and Organizational climate. Encouragement was only definitely linked with performance and staff. Contact was only valid with organizational environment. Paper is very helpful in a lot of theoretical studies in the subject. The effect shows that every issue has a different influence on the organizational learning method and result. (Pham & Swierczek, 2006)

This research stresses the need of knowing the job linked ethics of workers in changing view towards alteration and knowledge. Which are very important in organizational modification? Based on links between job related values, organizational knowledge and approach towards modification, the writer made a replica of job related issues and organizational learn-

ing and stance towards alterations in Chinese companies. (Alas, Vadi, & Sun, 2009)
Studies on Knowledge management comprehend how private and public organizations manage and apply this, differently. From various sources, data was collected and evaluated and found that Private sector organizations perform well comparatively. Private sector organizations believe an important association exists between knowledge management and enhanced business performance.

These organizations gave importance and attention to the system of transferring best practices, experiences and knowledge, getting stakeholder's ideas etc. to maximize the sharing of knowledge. Public sector organizations should give attention to human resource planning so that employees will get better training and proper education and as a result, play a vital role in knowledge management.

Organizations should maintain documentation of experiences and made it reachable for others so that the maximum people will know about experiences and take benefits that will help them to take decisions about different problems in the organization. (chawla & joshi, 2010).

According to Singh and Sharma(2011) knowledge management has positive relation with organizational learning and culture and as a result, with employee's satisfaction. To improve the employee's satisfaction and knowledge management system, organizations must have to adopt different policies to enhance the learning environment and make strategies to improve the organizational culture.

M.Birasnav, S.Rangnekar and A.Dalpati(2011) argued that this is possible for transformational leaders to effect the employees view about human capital benefits and also able to enhance these, by the way of involving employees in Knowledge management system, establishing suitable culture and sharing communication among them. Xue, Bradley and Liang (2011) argued that team environment and empowering leadership highly affect the individual's knowledge sharing behavior and attitude.

If the social environment of the team is pleasant and satisfies the employees, individual knowledge sharing approach will be enhanced. In the same way, if the leadership provides better opportunities and consider employees needs and wants in policy making and decision making, the knowledge sharing culture will be promoted.

Lin (2011) stated that companies today, more and more seek to improve their business performance through promoting the knowledge management mechanism. Knowledge management advancement becomes an important factor to carry on competitive advantage that leads the business success. Knowledge usefulness, top management support and knowledge management system quality positively affects the knowledge management evolution stages that are knowledge management initiation, development and mature.

According to Lwoga (2006), in rural areas of different developing countries, exogenous and indigenous knowledge are getting and shared in different ways and both of these are very important to support agricultural development. There must be a proper mechanism to manage indigenous and exogenous knowledge so that these will become helpful for effective agricultural production.

According to Watanabe and Senoo (2010) Knowledge management is affected by the organizational characteristics and national culture. Organizational characteristics like structure of the company, relationship between employees and executives, strategies affect a lot of, as compare to national culture. If the relationship between employees and executives are well-organized, this will positively contribute to the knowledge management.

In every country, people must have some values, traditions, and beliefs etc. that shows their culture. Organizations that perform working activities in different countries must consider the culture so that knowledge management system will be maintained and working activities will not be affected.

Every culture realizes knowledge and its importance in a different way. It's a big deal to make knowledge management system for taking knowledge and contribute it, in global projects where people are having different cultures participate. Organizations learn a lot of, in international projects as compare to nationwide projects.

To improve the knowledge management system and complete project in a good way, a Project manager must have awareness and proper information about different cultures of participants in making plans of sharing and communicating knowledge so that everyone will share knowledge and learn from others without any problem (Anantatmula, 2010). While according to Ranjan and Bhatnagar(2011) customer relationship management and knowledge management facilitates to understand and regulate the decision making system in the organization.

Customer relationship management concentrates on accumulating analytical information from the data collected from customers and knowledge management give attention on managing the knowledge inside the organization. We should use the combination of knowledge management and analytical customer relationship management to expose knowledge through data mining system.

According to Ahmad and Schroeder (2011) strategies related to technology that are on learning based provides employee's friendly environment in which employees easily gave ideas and suggestions related to some problems and issues in the organization. This creates the innovative, unique and better knowledge regarding processes and methods used in production and manufacturing that leads the competitiveness.

The paper shows that it is not compulsory to follow, or, with

equal to the social science related to becoming more involved with, or move closer to social science with realistic concerns of individual practitioners. It is claim that hard work should emphasize on the Theory of a type that its practitioners are definite about what they already do helps, and that progress. Somehow model for this type of theorizing physics or astronomy, - a discipline that is old as the only conventionally based on a very different relationship between knowledge and leading.(Eikeland & Nicolini, 2011) Results indicate that military organizations have led to changes Communication outline and the restructuring and arranging organizational structure. In addition, it entailed the revision of knowledge sharing; money is distributed and synchronized between standardization processes with particular emphasis on units. (Barbaroux, 2011)

The different model of organizational change problems is to lead an Overview of troubles. Organizational, technical and cultural changes required are partial and broader by the organizational and environmental forces by an interchange (Palermo, 2011).

Paper found that the intricacy of administrative change in work shows the specific Organizational environments and its cultures. Expertise and knowledge which managers found most for the benefit from these organizational changes in the "understanding" with possible experiences. His first major impact of information unrelated to education, was immediately reflective approach to change management (Andrews, Cameron, & Harris, 2011).

The study results describe the changes experienced individual is in the double Dam and driving force for organizational change becomes a catastrophe. Discrepancies as dissolved Double binds and the crisis are strongly connected to sentiments. These are feeling which Work out collectively, they are common and can be severe. The process of change is usually considered as processed through sequential stages. This study is evidence, however, almost coincidently undergoing some organizational changes that may emerge. Researchers can accelerate Intervention and change with ethnographic methods (Kerosuo, 2011).

Hypothesis 1
H0: There is no significant effect of knowledge sharing on knowledge management.
H1: There is a significant effect of knowledge sharing on knowledge management.

Hypothesis 2
Ho: There is no significant effect of organizational change on knowledge management.
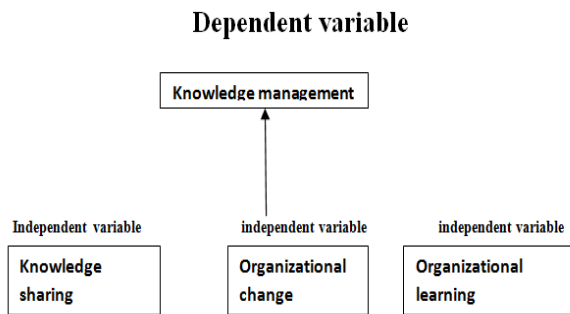H1: There is a significant effect of organizational change on knowledge management.
Hypothesis 3
Ho: There is no significant effect of organizational learning on knowledge management.
H1: There is a significant effect of organizational learning on

knowledge management.

3. THEORETICAL FRAME WORK

4. METHODOLOGY

To investigate the impact of knowledge sharing, organizational learning and organizational change on knowledge management practices in an organization. A technique of questionnaire was adopted to obtain information. 100 questionnaires were received out of 150 that were distributed to analyze the data. The distribution of questionnaire was done in financial services sector and telecommunication sector in Gujranwala, a city of Pakistan.

These questionnaires were distributed among employees and leaders of these companies. A (non probability random) convenient random sampling technique was used to select the sample to get responses at the rate of 67%. Questionnaire was classified into different sections.

First section was personal profile that presents information regarding gender, age, marital status, sector, job tenure and establishment size. The sections B, C, D and E comprises the information about knowledge sharing (KS), Knowledge management (KM), Organizational change (OC) and Organizational learning (OL). A five points Likert scale was used to measure the responses of the respondents.

5. DEMOGRAPHIC SECTION:

Demographic section of this questionnaire present information about the employees gender, age, marital status sector ,industrial sector, establishment size, job tenure in organization and position at which they are working. Total respondents were 100 out of that 84 were male and female respondents were 16. Age of majority of respondents was between 25-29 years. 60 respondents were married while 40 were single. Majority of the employees were from financial sector. Establishement size of most of the respondents was between 25-99 employees. Job tenure of most of employees was between 1-2 year. Majority of questionnaires were filled by employees in private sector.

6. ANALYSIS AND DISCUSSION

To find out the outcome t of organizational change, organizational learning and knowledge sharing on knowledge man-

agement various statistical tests were applied that included descriptive statistics and Pearson correlation.cronbach alpha is also mentioned regarding each question and results are shown in the table 1. To verify hypothesis and to determine the association of each variable, Pearson correlation coefficient and descriptive statistics were used and studied to get mean and standard deviation of the variables. 5 point likert scale was used to measure the responses of the respondents and reliability of each variable is checked by applying Cranbach's alpha test.

Knowledge sharing, organizational change and organizational learning are the three variables which are considered to effect knowledge management directly in an organization. In table 1 mean value for each variable indicates the average of responses measured, the given responses are representative of population.

Standard deviation represents total variation of each respondent against each variable. Cronbach's alpha determines for the reliability of analysis. The Pearson's correlation coefficient "r" expresses the relationship among the variables as shown in the table 1. Each variable has shown strong positive significant correlation with knowledge management and the entire three hypotheses supports this study.

Table 1 shows that knowledge management is significantly positively correlated with knowledge sharing, organizational change and organizational learning values of .501,.632 and .683 indicate a strong correlation. These three variables have a strong effect on knowledge management and knowledge management is strongly affected by these three variables at 0.01 significant levels. The mean value of responses recorded in knowledge management is about 4 which shows that most respondent agree with importance of knowledge management, total variation in responses is .585. The reliability value is 77.3 percent for this variable.

The mean value of knowledge sharing is 3.79 which is close to 4 results show that respondents agree that knowledge sharing is a important factor for knowledge management the variability in responses is 0.55. The correlation of knowledge sharing with knowledge management is .55, this indicates a strong correlation. Knowledge sharing also has a positive relationship with other factors in the study. The reliability of the variable is 87.8 percent.

The mean value of organizational change is 4.02 which is close

Table1							
Variables	Mean	SD	Alpha	1	2	3	4
Knowledge Management	4.0706	.58540	.773	1			
Knowledge Sharing	3.7941	.55111	.878	.501**	1		
Organizational Change	4.0278	.60302	.755	.632**	.404	1	
Organizational Learning	3.8990	.72610	.760	.683**	.357**	.816**	1

to 4 that shows that organizational change has a significant impact on knowledge management and employees of organization thinks that organizational change plays a key role towards achieving knowledge management practices variation among the responses is.603. Correlation among organizational change and knowledge management is .632 this shows that relationship is highly positively correlated. Reliability of this variable is 75.5 percent.

The mean value of organizational learning is 3.89 which is close to 4 with total variation of 0.72. Result shows that employees agree with the fact that organizational learning is very important for knowledge management. Correlation between organizational learning and knowledge management is 0.683 this shows a strong positive correlation. Organizational learning also has a positive correlation with other factors in the study. Reliability of this variable is 76 percent.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.740a	.548	.534	.39968

a. Predictors: (Constant), organizational learning, knowledge sharing, organizational change

ANOVAb

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	18.957	3	6.319	39.555	.000a
	Residual	15.655	98	.160		
	Total	34.612	101			

a. Predictors: (Constant), organizational learning, knowledge sharing, organizational change

b. Dependent Variable: knowledge management

Coefficientsa

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.941	.325		2.899	.005
knowledge sharing	.295	.079	.278	3.738	.000
organizational change	.125	.117	.129	1.072	.287
organizational learning	.386	.095	.479	4.065	.000

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organizational learning	.386	.095	.479	4.065	.000

Dependent Variable: knowledge management

Result of regression analyses shows that one percent change in knowledge sharing brings 29.5 percent change in knowledge management. One percent change in organizational change will bring 12.5 percent change in knowledge management. One percent change in organizational learning will bring a change of 38.6 percent in knowledge management.

7. PRACTICAL IMPLICATIONS OF KNOWLEDGE MANAGEMENT IN AN ORGANIZATION

In this position paper we have argued that Knowledge Management helps in Organizational Development, while discussing about its implications practically that we can observe we have to implement it in organization in the first place and then these practical implications can be observed in the form of technology advancement, an ensured system of right information, organizational agility, innovation rate, employee growth and learning, improved team communication.

But the challenges cannot be decimated such as integrated database, Interoperability etc. For implementing an effective knowledge management strategy, an organization must look at its internal communication system, and then try to eliminate barriers and impediments to foster a culture which may reward knowledge sharing. Perhaps Information technology is very prominent evidence in this strategy of knowledge management.

8. LIMITATIONS AND FUTURE INDICATIONS

There are certain limitations of knowledge management system, language, culture; environment, social eruptions, and political diversity are few of them. This research is of generic form, and needed due to diverse and globalized need and change of organizations on the globe. Also the fundamental need for creating new thinking regarding knowledge is to focus on its positive aspects rather than reading the orthodox queries of critiques.

Also this Knowledge Management has a great scope ahead; this research report also indicates that the future of knowledge management will be one of the most important organi-

zational components.

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