



## A Literature Review of Knowledge Management Role in Employee Performance

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### Info Article

#### History Article:

Submitted 30 July 2021

Revised 2 December 2021

Accepted 12 November

#### Keywords:

Knowledge Management;

Employee Performance;

Literature Review.

### Abstract

This review aimed to discuss current literatures of Knowledge Management (KM) role in employee performance. This paper reviewed articles about the effect of KM on performance from several different countries. The result of the study shows that all article reviewed have the same conclusion that there is a positive relationship between KM and employee performance. The important findings suggest that KM is a major indirect factor of organizational performance. Also, KM occupies an important role in forming an effective platform for learning organizations. However, how knowledge management influences competitive advantage such as knowledge, behavior, attitude, and its influence on performance had not attract the attention of researchers. This study suggests future studies to include intervening variables such as competitive advantage, knowledge, behavior, and attitude, to gain a deeper understanding of knowledge management's role in improving employee performance.

## Telaah Pustaka tentang Peran Knowledge Management terhadap Kinerja Karyawan

### Abstrak

Telaah Pustaka ini bertujuan untuk membahas literatur terkini tentang peran Knowledge Management (KM) dalam kinerja karyawan. Makalah ini mengulas artikel-artikel tentang pengaruh KM terhadap kinerja dari beberapa negara yang berbeda. Hasil penelitian yang telah dilakukan menunjukkan bahwa semua artikel yang ditelaah memiliki kesimpulan yang sama bahwa ada hubungan positif antara KM dengan kinerja karyawan. Temuan penting lainnya menunjukkan bahwa KM merupakan faktor tidak langsung dari kinerja organisasi. KM juga menempati peran penting dalam membentuk platform yang efektif untuk organisasi pembelajaran. Namun, bagaimana manajemen pengetahuan mempengaruhi keunggulan kompetitif seperti pengetahuan, perilaku, sikap, dan pengaruhnya terhadap kinerja belum menarik perhatian peneliti. Telaah pustaka ini menyarankan studi masa depan untuk memasukkan variabel intervening seperti keunggulan kompetitif, pengetahuan, perilaku, dan sikap, untuk mendapatkan pemahaman yang lebih dalam tentang peran manajemen pengetahuan dalam meningkatkan kinerja karyawan.

JEL Classification: M12

How to Cite: Sulistyanto, T. H., Djamil, M., Sutawidjaya, A. H., Nawangsari, L. C. (2021). A Literature Review of Knowledge Management Role in Employee Performance. *Jurnal Dinamika Manajemen*, 12(2), 285-290.

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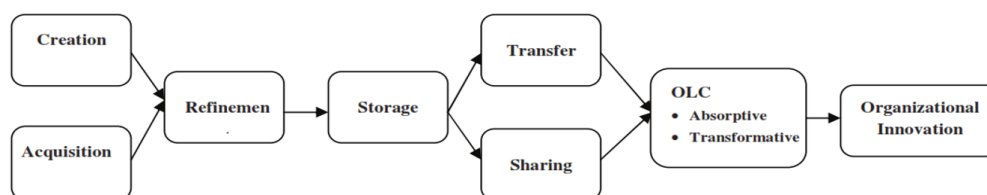
INTRODUCTION

Knowledge Management (KM) is the process within a company’s performance by designing and implementing tools, processes, systems, structures, and culture to develop or improve, create, share, and use the knowledge (Noe & Kodwani, 2018) Pasher & Ronen (2011) defined knowledge management as an experience (or expertise) combined with data and information, to solve problems and create value. KM is to increase organizational tangible assets by upgrading intangible assets or so-called intellectual capital. KM is widely discussed in scientific management articles, both abroad and in Indonesia. By using the keyword KM on Google Scholar, we got 135,000 results of articles and books above the year 2015. Regardless of the publishing years, the keyword produced 1,490,000 articles and books. When we use the same keywords in Scimago, it result 68 articles with knowledge management in their titles then in Scopus result 16 scientific journals with the same words in their titles. They are eight articles taken from researches who conducted in different countries: in Iran by Valmohammadi et al. (2019), Kuwait by Dzenopoljac et al. (2018), in Kurdistan by Anwar & Ghafoor (2017), in Zimbabwe by Tarambiwa & Mafini (2017), in Pakistan by Akram & Hilman (2018), in Ethiopia by Seifu et al. (2019), in Saudi Arabia by Alyoubi et al. (2018), and in Indonesia by Subanidja & Hadiwidjojo (2017).

Managers need to know whether the employees do their work efficiently and effectively. This is what the performance management system does by setting performance standards to evaluate employee performance (Robbins et al., 2019). KM described in its first cycle including knowledge creation or acquisition. Knowledge creation refers to the development of new know-

wledge within organizations and knowledge acquisition involves the process of finding, acknowledging, and assimilating new knowledge from outside the organizations. After the creation and acquisition of the new knowledge, the knowledge management system and the process of incoming knowledge must be prepared and transmit into the organization’s memory for optimal reuse in the long run. This what knowledge improvement is (Singh et al., 2021; Sulistyanto et al., 2021) .

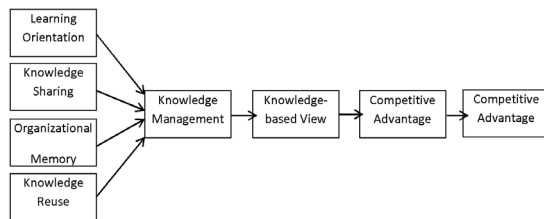
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Source: Gunsel et al, (2011)

Figure 1. Improved Knowledge Management Cycle

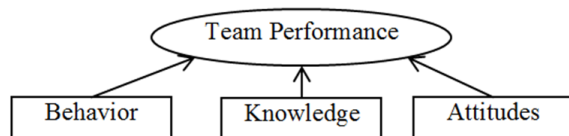
KM proposed as a multidisciplinary construction with a learning orientation, knowledge sharing, organization memory, and the reuse of knowledge (Farooq, 2019). The dimensions are shown in Figure 2. In this figure, there are four aspect important for KM: Learning Orientation, Knowledge Sharing, Organizational Memory and Knowledge Reuse.



Source: (Farooq, 2019)

Figure 2. Theoretical Model of Knowledge Management

Theoretical Model of Knowledge Management described three components of team performance as in Figure 3: Behavior, Knowledge and Attitudes. This Figure implies the required behavior is that team members must galvanize to build communication, coordination, adaptation, and complex task completion allowing them to achieve their preset goals. The knowledge component requires team members to have their mental or memory effectively function in any unexpected or new situations. The attitude deals with the assurance of team members’ tasks and feelings toward each other (Noe & Kodwani, 2018).



Source: (Noe & Kodwani, 2018)

Figure 3. Components of Team Performance

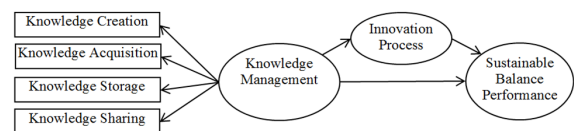
### METHOD

The method used in this paper is descriptive analysis. The data were collected through literature reviews follow: 1) determining the keywords “knowledge management” to search

in Google Scholar, Scimago, and Scopus (Adriaanse & Rensleigh, 2013; Meho & Yang, 2006); 2) preselecting articles published above the year 2010; (3) choosing those with titles containing the word “competency” and/or “performance”; and 4) selecting articles from Iran, Kuwait, Kurdistan, Zimbabwe, Pakistan, Ethiopia, Saudi Arabia, and Indonesia.

### RESULTS AND DISCUSSION

In Iran KM underlined in two vital roles: First, the empirical role of knowledge management to improve performance, which has not been widely discussed. Second, the company’s role in reducing the gap between performance (performance improvement) to increase the growth of knowledge-based industries (Valmohammadi et al., 2019). It is concluded that knowledge management practices can positively and significantly influence the sustainable performance of knowledge-based companies or industries that make sophisticated machinery and equipment. Correspondingly, two scholars presented a framework for performance evaluation through a balance scoreboard (Houck et al., 2012; Pislaru et al., 2019). Valmohammadi in Iran also concluded that knowledge management has a significant influence on the innovation process (Valmohammadi et al., 2019). This is in line with other authors discussed KM (Joshi & Chawla, 2018; Mills & Smith, 2011; Wuryaningrat et al., 2019) . Figure 3 presents Valmohammadi’s research conceptual model.



Source: (Valmohammadi et al., 2019)

Figure 4. Valmohammadi’s Research Conceptual Model

The role of knowledge management examined in business performance as felt by company employees in Kuwait (Dzenopoljac et al., 2018). They highlighted that the process of gai-

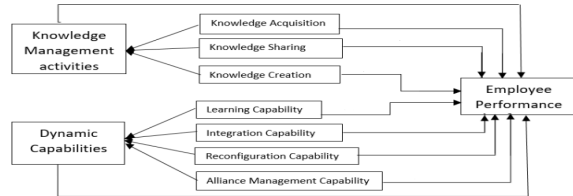
ning knowledge is important. The first process is knowledge creation. If it is original and valuable to the organization, it could be considered as a part of the knowledge generation. The next process is codification and storage. It includes codification, classification, formation, knowledge arrangement in a useful format, and storing. This enables extensive use by the right person, at the right time, in the right way. The third process is knowledge transfer and sharing, which is related to the effectiveness of knowledge management by focusing on managing new knowledge and transferring existing knowledge in the company. The final process is the use of knowledge and evaluation, which mainly relates to the use of knowledge that has been produced, codified, and shared. It is executable practicable only by a proper implementation to add value to the company. The results of the research show that the four knowledge management processes (i.e., development and knowledge, codification and storage, transfer and sharing, use and evaluation) have a positive and significant impact on perceptions of business performance. Besides, this research emphasized that the knowledge management process has the highest impact on innovation performance.

A study about the relationship between KM and organization performance in Kurdistan contended that there is a relationship between knowledge transfer and performance of the organization in private universities, compared to other KM processes (Anwar & Ghafour, 2017). They also highlighted the weaknesses of the knowledge management process in education sectors which including knowledge creation, knowledge acquisition, and knowledge refinement.

Conducted in Zimbabwe, the research of Tarambiwa & Mafini (2017) showed that the combination of information technology and knowledge management has the greatest impact on the performance of the exports department (Tarambiwa & Mafini, 2020). It enhanced the company's export strategy, commitments, orientation, growth, sales, profits, and market share.

Additionally, research in Pakistan concluded that knowledge management activities and

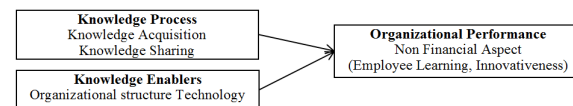
dynamic capabilities have a significant influence on employee performance in the banking sector of Pakistan (Akram & Hilman, 2018). Figure 5 illustrates their research framework.



Source: (Akram & Hilman, 2018)

Figure 5. Role of KM Activities and Dynamic Capabilities on Employee Performance

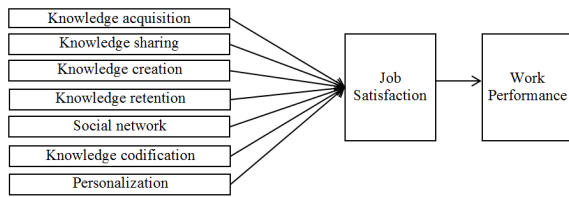
Conducted in Ethiopia, a group of researcher lead by Seifu in 2019 contended that there is an overall positive effect of knowledge management practices on the performance of the Agricultural Transformation Agency (ATA) in Adis Ababa Ethiopia. Knowledge management is the most influential strategy in public organizations (Seifu et al., 2019). The research accentuated that the influence of knowledge management on ATA performance is insufficient because most of its elements, such as technology, are not effectively utilized. Figure 6 shows their research model.



Source: (Seifu et al., 2019)

Figure 6. Research Model of Seifu et al. (2019)

In Saudi Arabia a group of researcher investigated the influence of KM on performance and found a positive and significant effect of KM process and approach on job satisfaction and performance (Alyoubi et al., 2018). It also asserted that knowledge sharing, knowledge retention, codification, and personalization approaches have a significant effect on job satisfaction. Conversely, knowledge acquisition, knowledge creation, and social networking approaches do not have a significant effect on job satisfaction. Figure 7 shows the research model of the research conducted in Saudi Arabia.

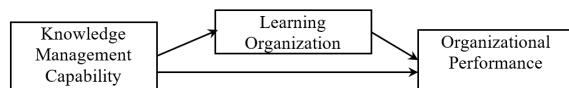


Source: (Alyoubi et al., 2018)

Figure 7. Role of KM on Work Performance

The research provided the knowledge management process and approach as the antecedents of job satisfaction and performance, which has not been previously examined. Its main finding is that the existence of the knowledge management process and approach in a work environment is positively associated with high job satisfaction.

In Indonesia, Subanidja and Hadiwidjojo in 2017 investigating the effect of KM on performance concluded that KM qualifies as a variable of independence, moderation, or intervention. Ngah, Tai, and Bontis in 2016 claimed to have conducted the first study of knowledge management and learning organizations in the public sector of Dubai or the United Arab Emirates. Figure 8 illustrates the research framework (Ngah et al., 2016; Subanidja & Hadiwidjojo, 2017).



Source: (Ngah et al., 2016)

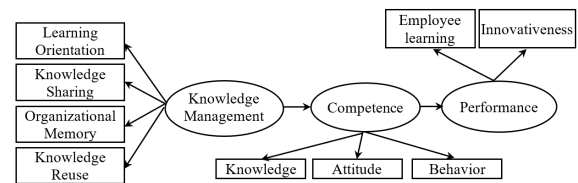
Figure 8. Role of KM Capability on Organization Performance

The important findings suggest that knowledge management capability is a major indirect factor of organizational performance through learning organizations. Also, KM occupies an important role in forming an effective platform for learning organizations. Other findings show that learning organization is a mediator of KM and organizational performance.

### CONCLUSIONS

Those articles come to the same conclusion that KM has a positive effect on performance. However, how knowledge management

influences competitive advantage such as knowledge, behavior, attitude, and its influence on performance had not attract the attention of researchers. By considering all existing models, the author proposes a modified model as follows:



Source: Author (2021)

Figure 9. The Model of Knowledge Management Effect on Performance

This model suggests how knowledge management influences competitive advantage, knowledge, behavior, attitude and how it directly influences performance.

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