The Impact of Knowledge Management towards Organization Performance

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Abstract

Knowledge management (KM) is the concept under which information is turned into actionable knowledge and made available effortlessly in a usable form to the people who can apply it. The ability to manage knowledge is becoming increasingly more crucial in today’s knowledge economy. The creation and diffusion of knowledge have become ever more important factors in competitiveness. But, in most organizations the implementation of knowledge management practice is too slow. Therefore, the purpose of this paper were to develop conceptual framework on the impact of knowledge management has on organization performance. The conceptual framework for this study is outlined by the process of adapts and adopts from previous research studies. The KM practices discussed in this paper are knowledge acquisition, knowledge sharing, knowledge creation and knowledge retention by relating it with job satisfaction and organization performance. The conceptual framework consists of three different variables: Independent variables such as knowledge acquisition, knowledge sharing, knowledge creation and knowledge retention: Intermediate variable - Job satisfaction and dependent variable is organization performance. Finally, the paper ends with recommendations on further research should be conducted in order to enhance the understanding of the concepts and the effect of KM towards organization performance by taking employee job satisfaction as intervene variable.

Key words: Knowledge management, Job satisfaction, Organization performance

1. Introduction

Knowledge is increasingly being recognized as the new strategic imperative of organizations. The most established paradigm is that knowledge is power. Therefore, one has
to hoard it, keep it to oneself to maintain an advantage. The common attitude of most people is to hold on to one’s knowledge since it is what makes him or her an asset to the organization (Filemon, A., and J. Uriarte, 2008). According to Alavi and Leidner (2001) in a time where knowledge is progressively perceived as an organization's most important resources, many organizations have actualized knowledge management with an end goal to store, capture and disseminate knowledge all over the organization. Kianto et al. (2016), stated that the management of knowledge is for the most part about making, giving, empowering and supporting reasonable learning conditions in an association, to inspire and empower proficient people to utilize and share their insight and make new knowledge.

In the modern economy, the knowledge that it is able to harness is the organization’s competitive advantage. This competitive advantage is realized through the full utilization of information and data coupled with the harnessing of people’s skills and ideas as well as their commitments and motivations. In the corporate context, knowledge is the product of organization and systematic reasoning applied to data and information. It is the outcome of learning that provides the organization’s only sustainable competitive advantage. As such knowledge is an essential asset that has become more important than land, labor or capital in today’s economy (Filemon, A., and J. Uriarte, 2008). Accordingly, as it stated there are two types of knowledge: tacit knowledge and explicit knowledge. Tacit knowledge is that stored in the brain of a person. Explicit knowledge is that contained in documents or other forms of storage other than the human brain. Explicit knowledge may therefore be stored or imbedded in facilities, products, processes, services and systems. Both types of knowledge can be produced as a result of interactions or innovations. They can be the outcome of relationships or alliances. They permeate the daily functioning of organizations and contribute to the attainment of their objectives. Both tacit and explicit knowledge enable organizations to respond to novel situations and emerging challenges.

**An Overview of Knowledge management**

Knowledge management is a relatively new discipline and therefore has a short history. As a conscious discipline, it developed from the various published work of academics and pioneers such as Peter Drucker in the 1970s, Karl-Erik Sveiby in the late 1980s, and Nonaka and Takeuchi in the 1990s. It began when the concept of a “knowledge company” was introduced in published literature.
Knowledge management (KM) has been defined in different ways in scientific literature; Wiig (2000) defined it as “a group of clearly defined process or methods used to search important knowledge among different knowledge management operations”. Gupta et al. (2000) defined KM as “a process that helps organizations to find, select, organize, disseminate, and transfer important information and expertise necessary for activities. Recently, Filemon and Uriarte (2008) defined KM as the broad process of locating, organizing, transferring, and using the information and expertise within an organization.

Knowledge management is the conversion of tacit knowledge into explicit knowledge and sharing it within the organization. Putting it more technically and accurately, knowledge management is the process through which organizations generate value from their intellectual and knowledge based assets. Defined in this manner, it becomes apparent that knowledge management is concerned with the process of identifying, acquiring, distributing and maintaining knowledge that is essential to the organization (Filemon, A., and J. Uriarte, 2008).

The role of knowledge management and the process for managing it has become vital for the survival of the organization. Although an evolving paradigm in management (Gourlay, 2001), knowledge management continues to serve as a strategic business function in the organization and has an impact on human capital, teamwork, and overall organizational performance and effectiveness (Feng, Chen, & Liou, 2005; Lee, Lee, & Kang, 2005; Marques & Simon, 2006; Yeniyurt, Cavusgil, & Hult, 2005).

The Practice of Knowledge Management in Ethiopia

The practice of KM is a recent phenomenon in Ethiopia (Lemlem, 2017). So far, only limited local researches were conducted in KM share area in hospitals, banking and airline industries. However, as per the knowledge of the author, there is no research conducted on the area of KM locally when it comes to the humanitarian emergency organizations. In addition, their focus was on service giving private or governmental. Lemlem also suggested that the knowledge management is only practiced by international Non-governmental organization only. Ermias S. (2006), in his study of 'Knowledge management in Ethiopian Agriculture', pointed out knowledge management is not implemented in Ethiopian business and non-business organization
very well. These all due to shortage of technological tools like expansion of ICT, IT, access of computers, inclusiveness of education system and the like are some of the drawbacks which slow the improvement of knowledge management in Ethiopia.

Genet A. and Mesfin K. (2015), try to depict that the concept of Knowledge Management as “a newly emerging, interdisciplinary business model that has knowledge within the framework of an organization as its focus”. Despite varying emphasis, all these actors feature the existence of key components in any KM discourse; which are: people, processes, and system. These components in turn form the knowledge sharing architecture. In that context neither such literature nor the experience under discussion in organization in Ethiopia level shows the lack of which specific factors enable or impede the organization’s knowledge management effort. Due to that gap both management and staff remain unable to clearly establish the usefulness and contribution of knowledge management in any business and non-business organization.

Literature Review

Concepts of Knowledge Management

The title of this paper is The Impact of Knowledge Management on organization performance. With respect to the subject, researcher needs to think about and investigate on how the knowledge management practices can affect organization performance.

There is no universally accepted definition of knowledge management. But there are numerous definitions proffered by experts. Put very simply, knowledge management is the conversion of tacit knowledge into explicit knowledge and sharing it within the organization. Putting it more technically and accurately, knowledge management is the process through which organizations generate value from their intellectual and knowledge based assets. Defined in this manner, it becomes apparent that knowledge management is concerned with the process of identifying, acquiring, distributing and maintaining knowledge that is essential to the organization (Filemon, A., and J. Uriarte, 2008).

If one considers knowledge management in the broadest context, then there are multifarious definitions of knowledge management. All these definitions hint at the same idea but each one focuses on a particular aspect of knowledge management. For example, a results-oriented
definition may state that knowledge management is “to have the right knowledge at the right place, at the right time in the right format. Process-oriented definition may describe knowledge management as “the systematic management of processes by which knowledge is identified, created, gathered, shared and applied.” And a technology-oriented definition may present a formula for knowledge management as “business intelligence + collaboration + search engines + intelligent agents” (Benjamins, V.R, 2001).

Knowledge Management in an organization's capacity to gather, store, share and apply information with a specific end goal to upgrade its survival and achievement. According to Moffet and Hinds (2010) the effective of knowledge management usage liberates representatives. Knowledge worker have adaptability and flexibility to direct their work as per their own particular insight, experience and activity. They bolster each different and in addition by data and information, which resultantly benefits both themselves and the organization.

The personal characteristics of those leading the organization as well as the organizational culture are instrumental in determining the process of data gathering, information sharing, and knowledge creation (Bock & Kim, 2002; Marshall & Stohl, 1993). This further affects the ability of the organization to become a learning organization in which information is utilized in sense making, knowledge formulation, and decision making (Ravishankar & Pan, 2008) as well as its overall organizational performance (Choi, Poon, & Davis, 2008; Marques & Simon, 2006). The semiotic link between knowledge and performance is crucial in the success and well-being of the organization.

The debate on the role of knowledge management in the organization has become much more complex during the past decade because the nature of knowledge utilized and consumed on a daily basis in a given organization has also become complex because of the continuous progress in technological advances and inventions and their implications for the workplace (Ciborra & Andreu, 2001). Companies generally believe that by utilizing technology in knowledge management processes, they will have a strategic advantage over their competitors (Shrivastava, 1998). We are now at the beginning of a new era where companies use software to manage knowledge.
Filemon, A., and J. Uriarte (2008), suggested there are two main aspects of knowledge management, namely, information management and people management. Information management is associated with the management of knowledge related to objects that are identified and handled by information systems. The practice of information management developed and became widely accepted when executives realized that information was an important corporate resource that could and should be managed to improve the company’s competitiveness. As a consequence of the growth in the practice of information management, the concepts of “information analysis” and “information planning” developed, thus providing additional tools for practitioners. As academics and theorists continue to reflect on the subject, information management has further developed into knowledge management. Entrepreneurs and managers have become more aware that knowledge – as differentiated from mere information – is an even more valuable resource of the organization. The second aspect of knowledge management is people management. Basically, this involves the management of tacit knowledge that resides inside the heads of people. In actual practice it entails managing the knowledge that exists alongside organizational processes involving a complex set of dynamic skills, know-how and other knowledge-related capabilities (Noe, 2008). In order to effectively manage the people that possess the desired tacit knowledge, it is essential to take into consideration their cultural and social values, attitudes and aspirations, and likes and dislikes. If this can be done successfully, it can lead to the creation of new knowledge that otherwise cannot be accomplished by information management alone.

**Knowledge Management Facets**

KM alludes to distinguishing and utilizing the aggregate information in an organization to offer assistance the organization contends (von Krogh, 1998). According to Lee et al. (2003) KM supposedly consists of knowledge process such as knowledge creation, acquisition, sharing, transfer and application.

Nonaka and Takeuchi (1995) stated isolated KM process into knowledge creation, storage and transfer. KM process also has been proposes by Demarest (1997) and Pruzinsky et al. (2017) such as knowledge creation, knowledge codification, knowledge acquisition, knowledge sharing and knowledge retention.
**Knowledge Acquisition**

According to Zahra and George (2002) knowledge acquisition remains for authoritative practices went for collecting data from extra-organizational sources. External networks and collaborative arrangements are crucial sources of knowledge for a wide range of organization. Clients frame a particularly imperative gathering from which knowledge ought to be gained if the organization is succeeded. For example, customer feedback systems, data mining, business intelligence and collaboration with partners and research institutions are typical of highly developed knowledge acquisition practices. Knowledge acquisition is a continuous and dynamic process. Knowledge acquisition includes the ability to devise original thoughts, bits of knowledge and arrangements and link it inside the organization (Bhatt, 2001; Bose, 2004; Tiwana, 2003, Alias, Mansor, Rahman, Ahmad, & Samsudin, 2018).

**Knowledge Sharing**

According to King (2007) has also discovered that sharing or dissemination of knowledge is one of the important components of knowledge management practices. It decides the step to which representatives will impart their thoughts and profitable knowledge to supervisors and colleagues for achieving their tasks and getting better output. On the other hand, it likewise speaks to the procedure utilized by workers for coursing or trading data inside various divisions and individuals from the association (Becerra-Fernandez and Sabherwal, 2014).

Supported by Awad et al. (2007) knowledge management is the procedure by which organizations accumulate, create, offer and utilize information in a viable path for accomplishing particular targets. It is essentially a multidisciplinary procedure as well as distinctive instruments and methodologies. The human factor is one of the important factors to be considered as it likewise relies upon aims of employees to share knowledge with others in order to maintaining effective knowledge management practices.

According to Trivellas et al. (2015) based on the previous studies have suggested that without commitment from employees, organization can't keep up successful knowledge management practices if employees didn’t sharing knowledge to each other. This study also supported by King (2007) although a few studies have noticed the part of organizational
culture and structure in knowledge sharing, they need to discover its effect on employee’s job satisfaction (Alias, Mansor, Rahman, Ahmad, & Samsudin, 2018).

In the study of Khoualdi, K., & Saleh, O. (2015), Knowledge sharing is defined as the process through which explicit or tacit knowledge is communicated to other individuals. For example, writing research papers, delivering a lecture, participating in a dialogue over coffee or lunch, and participating in communities of practice. Depending on whether explicit or tacit knowledge is being shared, exchange or socialization processes are used.

**Knowledge Creation**

Knowledge creation refers to the organization’s capacity to grow new and helpful idea and arrangements with respect to different parts of organizational activities, from technological processes, products and administrative practices. According to Eisenhardt and Martin (2000) knowledge creation is a main factor in empowering supported performance in turbulent situations.

Knowledge creation is created when an organization and its individuals learn and improve the skill or knowledge. According to Scharmer (2001), knowledge creating organizations arrange for the development of employee potential and self-rising above knowledge to develop profoundly new experiences and advance development and thought improvement at all levels of the organization (Alias, Mansor, Rahman, Ahmad, & Samsudin, 2018).

**Knowledge Retention**

Kianto et al. (2016) simply defines knowledge retention as an activities related to overseeing employee turnover and the related loss of expert knowledge which refer a key organization asset. Expert knowledge can be lost when employees leave the organization for some reason. As baby boomers retire, attracting and maintaining the best employees will turn into a significantly all the more squeezing challenge concerning knowledge retention (Alias, Mansor, Rahman, Ahmad, & Samsudin, 2018).
**KM and Job Satisfaction**

Khoualdi, K., & Saleh, O. (2015) entitled "The impact of knowledge management on job satisfaction" was conducted by selecting 394 different university employees. The result revealed that KM facets like knowledge discovery, knowledge capture, knowledge sharing, knowledge application has a positive impact on job satisfaction.

In Kianto, Vanhala, & Heilmann (2016) study, it was found that three KM facets which are knowledge sharing, codification and retention showed positive relationships with job satisfaction. Again Kianto, Vanhala, & Heilmann in 2018, a study titled "The impact of knowledge management on job satisfaction" which aims to examine how KM can improve staff job satisfaction in person. The studied KM facets consist of knowledge acquisition, knowledge sharing, knowledge creation, knowledge codification and knowledge retention and their relationship to job satisfaction. The sample of the study was tested empirically by analyzing a web-based survey data set of 824 individuals which collected from the workers of a Finnish municipal organizations including administration, social and health services, education and culture, work, entrepreneurships and business services and technical and environmental services. The authors also differentiate the groups of employees such as general employees, experts, middle managers and top management.

**Job Satisfaction**

Job satisfaction is defined by many scholars in different aspects. Yousef (2017) define it as how much people feel emphatically or adversely about their jobs. It is an enthusiastic reaction to one's commitments and to the physical and social circumstances of the work place. As a concept, job satisfaction also demonstrates degree of expectations in a person’s psychological agreement is fulfilled. Occupation fulfillment is perhaps to be higher for people who comprehend an instigation commitment adjust in their association with the employing organization (Md Murad Miah, 2018).

Occupation fulfillment is the measure of delight or satisfaction identified with a job. However, individuals could have extreme job fulfillment after they have effective attitudes nearer to such occupation factors comprising of the work itself, notoriety and probability for promotion. As indicated by Smith, Kendall and Hulin (2017) work fulfillment is the volume to which somebody
is delighted or satisfied by his or her work. Significant research on work fulfillment demonstrates that components including a person's objectives and goals decide this outlook, together with organization and organizational components, for example, relationships with colleagues, directors, working conditions, work clues, and remuneration. work fulfillment is noticed a person's standard state of mind toward his or her work. Nhuta, and Nhuta (2017) said that somebody with a high level of job satisfaction holds compelling attitudes nearer to the job; somebody who's baffled alongside his or her job holds negative attitudes about the job. According to Niemiec, and Spence (2017) work fulfillment is a charming or fantastic passionate kingdom as a result of the appraisal of one's job or method studies (Md Murad Miah, 2018).

**KM AND ORGANIZATIONAL PERFORMANCE**

Organizational performance (OP) means to what extent the organizational goals and objectives can be achieved (K. Janepuengporn, and P. Ussahawanitchakit, 2011). Many empirical and conceptual studies were conducted to test the relationship between KM and OP. Investigated the organizational impact of knowledge management practices. The study argued that it is expected that knowledge management practices including (communication, the ability to create new knowledge, acquisition, policies and strategies of KM, and training) affect organizational performance dimensions which include (financial performance, new product success, customer satisfaction, market share) in a positive way among all the dimensions. However, it was revealed that the highest impact was on the success of a new product, which is one of the organization performance dimensions, and the training was the strongest affecting dimension on organization performance. In order to help organizations including academic ones (e.g., Universities) to correctly choosing the strategies for investing in knowledge resources, an empirical study was conducted in the Isfahan universities in Iran, presented that knowledge management resources such as organizational structure and knowledge application are positively affecting OP while other resources such as technology and knowledge conversion are not (S. Fattahiyan, 2012). It is likely to address that KM strategy could include knowledge transfer concentration, open mindedness orientation, skill sharing and integrated value knowledge (K. Janepuengporn, and P. Ussahawanitchakit, 2011). The most significant positive relationships from the whole KM
processes performance indicators are factor strategy and leadership, among knowledge management enablers (C. Ho, 2009).

**Job Satisfaction and Organization Performance**

According to M. D. PUSHPAKUMARI (2008), study entitled as the Impact of Job Satisfaction on Job Performance: An Empirical Analysis was conducted. For the purpose of analyzing the research problem, a total number of 237 respondents were selected from twenty organizations limited to five industries relating to manufacturing and services industries in private sector in the economy in Sri Lanka. Namely, Banking, Ceramics, Milk powder, Insurance and News Paper Industries. Three employee categories were considered as Professionals, Managers and Non Managers. Accordingly the result indicated that there is a significant impact of job satisfaction on performance of employees in private sector organizations. Employees who are in higher levels tend to derive more satisfaction from intrinsic rewards while, employees who are in lower levels tend to derive more satisfaction with extrinsic rewards. Higher level employees are more satisfiers than the lower level employees in private sector organizations. Employees who are in highly competitive industries are more satisfied with their jobs than employees who are in less competitive industries. Professionals and Managers are willing to extend more effort to the job than non-managers. Older employees are more satisfiers than the younger employees in private sector organizations.

A Study titled "Impact of employee’s job satisfaction on organizational performance" was conducted by Muhammad Sh. (2013). For the purpose of analyzing the research problem, a total number of one hundred and twenty (120) Individuals were selected from five organizations working on development sector. The employee categories were considered are management, senior managers, managers, professionals and support staff. Accordingly the result shows that there is a significant impact of job satisfaction on organizational performance in development organizations. Employees who are in higher levels tend to derive more satisfaction from intrinsic rewards while, employees who are in lower levels tend to derive more satisfaction with extrinsic rewards. Higher level employees are more satisfied than the lower level employees in development organization. Senior manager, managers are willing to extend more effort to the job than professional and support staff. Senior employees are more satisfied than the junior employees in development organizations. High experienced employees
tend to satisfy with their jobs than the less experienced employees. Satisfied workers tend to less absenteeism to the work than low satisfied workers and also high satisfaction staff has fewer turnovers of employees.

The on "The impact of employee job satisfaction toward organizational performance: A study of private sector employees in Kuching, East Malaysia", by Md Murad Miah (2018) also revealed there is a significant impact of job satisfaction factors like remuneration, promotion, supervision and teamwork on organization performance. The study on Job Satisfaction and Organizational Performance: Evidence from Canadian Credit Union, by Alidou Ouedraogo, and André Leclerc (2017), was also shows as there is a significant impact of job satisfaction indicators like personality/temperament, organizational culture and communication, situation at work, social framework, overall life satisfaction, vision, governance, and credit Union Strategy on organization performance.

In addition, Job satisfaction has been perceived principal factor which is closely link with organizational productivity. Job Satisfaction is the degree which is measuring those employees resemble their job and those are most certainly not. Judge et al (2017) said that when employee is satisfied to their job than it creates charming pressure within organization, motivate employee to job well and organization can get excellent achievement from them. On the other hand, dissatisfied employee willingly tries to escape duty, high level of absents, when even they are in the job but try to hide away from the job and do not thing about issues of organization which is affect negatively organizational productivity. Therefore, most of the organization try to understand employees feeling, opinion about their job (Md Murad Miah, 2018).

**Models and Frameworks of Previous study**

To rationalize these article the previous studies and variables related to knowledge management, job satisfaction and organizational performance relationship and their impact on each other was reviewed.

Khoualdi, K., & Saleh, O. (2015) in their study of "The impact of knowledge management on job satisfaction: a study on Saudi public universities" identified the as there is a significant relation between knowledge management facets: Knowledge discovery, Knowledge capture, Knowledge sharing, and Knowledge application, and job satisfaction.
Figure 1: Khoualdi, K., & Saleh, O. (2015), "The impact of knowledge management on job satisfaction"

In these study the following hypothesis was realized on the impact of the knowledge management facets has on the job satisfaction of employees.

**Hypothesis 1:** Predicts that knowledge discovery, has a positive impact on job satisfaction.

**Hypothesis 2:** Predicts that knowledge capture has a positive impact on job satisfaction.

**Hypothesis 3:** Predicts that knowledge sharing, has a positive impact on job satisfaction.

**Hypothesis 4:** Predicts that knowledge application has a positive impact on job satisfaction.

Aino Kianto, Mika Vanhala, Pia Heilmann, (2018) in the study titled "The impact of knowledge management on job satisfaction" form a theoretical model concerning the connections between five facets of KM (knowledge acquisition, knowledge sharing, knowledge creation, knowledge codification and knowledge retention) and job satisfaction is proposed. It is then empirically tested with a structural equation modeling partial least squares analysis of a survey data set of 824 observations, collected from the members of a Finnish municipal organization. The theoretical model was as follows:
Figure 2: Aino Kianto, Mika Vanhala, Pia Heilmann, (2018), theoretical model on Knowledge management and Job satisfaction

The study revealed that of the five KM processes examined in this study, only two had no connection to job satisfaction. Based on this study, therefore, it seems that knowledge acquisition and knowledge creation are not factors that affect job satisfaction. The remaining three KM processes (knowledge sharing, codification and retention) had connections with job satisfaction. Specifically, the results indicate that intra-organizational knowledge sharing is the key KM process, promoting job satisfaction for most employee groups.

Alias, Mansor, Rahman, Ahmad, & Samsudin, (2018) in the article review of titled "The Impact of Knowledge Management towards Employee ’s Job Satisfaction" recommended conceptual framework used for further study outlined by the process of adapts and adopt from past studies and literatures. The knowledge management practices that has been adapted as independent variable (IV) is knowledge acquisition, knowledge sharing, knowledge creation and knowledge retention. While for dependent variable (DV) is employee’s job satisfaction as the indicator. Accordingly, the proposed framework was as follows:
Then after reviewed the finding of different researches made on the impact of knowledge management on job satisfaction proposed the following hypothesis for further study:

Hypothesis 1: There is significant relationship between knowledge acquisition and job satisfaction.

Hypothesis 2: There is significant relationship between knowledge sharing and job satisfaction.

Hypothesis 3: There is significant relationship between knowledge coding and job satisfaction.

Hypothesis 4: There is significant relationship between knowledge retention and job satisfaction.
On the other hand, some researchers depict the impact of knowledge management has on the organization performance. Accordingly, the model which is developed by those researchers are reviewed as follow:

Rasula, Vuksic & Stemberger (2012), in the study entitled "The impact of knowledge management on organizational performance" develop a model which shows the study variables. Four variables were formed in the research: The three independent variables are, The first information technology (IT), which determines the usage, quality and benefits of IT tools for knowledge management. The second organization (OR) that represents a human perspective of organization and processes. Third, knowledge (KN) that covers accumulation, utilization, sharing practices, and knowledge ownership identification. The dependent variable was organizational performance (OP) is defined as a construct composed of financial and non-financial indicators.

The model is as follows:

![Conceptual model developed by Rasula, Vuksic & Stemberger (2012)](image-url)

Figure 4: Conceptual model developed by Rasula, Vuksic & Stemberger (2012)
Accordingly the researcher proved the positive influence of KM on organizational performance and suggest conceptual model presented in this paper as a useful starting point to gain a deeper insight into KM elements and their influence to the organizational performance.

In 2017, a review of literature was made by Andrej Novak on the title "knowledge management and organizational performance" to depict their relationship and identify variables. Accordingly, a research model concerning relations between knowledge management processes (creation, storage, transfer and application) and organizational performance and relations between knowledge infrastructure elements (technology, organizational culture, and organizational structure) and organizational performance was formulated as follows:

Figure 5: Conceptual model by Andrej Novak (2017)
Finally articles and researches are reviewed which show the impact of job satisfaction has on organization performance. Accordingly, there are some selected conceptual models developed by those researcher to show the relation between employees job satisfaction and organization performance presented below:

The study aimed to explore the impact of job satisfaction toward organizational performance based on private sector in Kuching, East Malaysia, by Md Murad Miah (2018), identified different variables related to the relation between job satisfaction and organization performance and the model was developed as follows:

![Figure 6: Research model by Md Murad Miah (2018)](image)

To conduct these study 160 samples was selected from private companies and the hypothesized result of analysis depict there is a significant relation between employee job satisfaction indicators (Supervision, employee motivation, quality of work life, employee remuneration and team work) and organization performance. on the other hand the impact of those variables has on the organizational performance was evaluated and the result revealed that Supervision, employee promotion and employee remuneration has a significant impact on the organization performance.

In 2013, a study was conducted on the Impact of employee’s job satisfaction on organizational performance by Muhammad Shahzad Latif, etal. To conduct the study data was organized from 120 employees which are selected from five organizations working as senior managers, mangers, professionals and support staff. Accordingly, the study result revealed as there is a
significant impact of job satisfaction on organizational performance in development organizations and the satisfaction level of the employees are different at different category of employees. To show relationship the following model was formulated:

![Conceptual model by Shahzad Latif, et al. (2013)](image)

Figure 7: Conceptual model by Shahzad Latif, et al. (2013)

A study by Danica Bakotić (2016), titled "Relationship between job satisfaction and organizational performance" was conducted by selecting 5806 sample employees from sample included 40 large- and medium-sized Croatian companies. The main research hypothesis of the study was;

**Research hypothesis:** There is a positive statistically significant relationship between job satisfaction and organizational performance.

To show the relation between employee job satisfaction and organizational performance the following conceptual model was developed by the researcher:

![Conceptual model by Danica Bakotić (2016)](image)

Figure 8: Conceptual model by Danica Bakotić (2016)
Detailed analysis of the showed that the connection between job satisfaction and organizational performance was stronger than the connection between organizational performance and job satisfaction. It could be stated that job satisfaction more strongly determines organizational performance than organizational performance determines job satisfaction. To support this claim, the research results of the article showed that there was an impact of the majority of job satisfaction factors on organizational performance.

**Theoretical Framework and Hypothesis**

As we have seen above previous researchers develop a model which shows the relationship between knowledge management and job satisfaction, job satisfaction and organizational performance and knowledge management and organizational performance separately. Therefore in these study the conceptual framework is developed using the process of adopt and adapts from previous studies and literatures. Three type of variables are used: I) The independent variable is knowledge management practices which include; knowledge acquisition, knowledge sharing, knowledge creation and knowledge retention. II) The intermediate variable: Employees job satisfaction is taken as the intermediate variables between knowledge management and organizational performance. III) The dependent variable: organizational performance is a dependent variable which is affected by the knowledge management and job satisfaction. The proposed framework is shown in figure 9 below:

![Figure 9: Research framework](image-url)
As Richard et al. (2009) stated organizational performance encompasses three specific areas of firm outcomes: (a) financial performance (profits, return on assets, return on investment, etc.); (b) product market performance (sales, market share, etc.); and (c) shareholder return (total shareholder return, economic value added, etc.). Danica Bakotić (2016) also indicate this all variables as a measures (indicators) of organizational performance. Therefore as previous studies revealed if the employees are satisfied highly the organization will be good in all financial, product market and shareholders return performance.

According to Aino Kianto, Mika Vanhala, Pia Heilmann, (2018), study revealed that knowledge acquisition and knowledge creation are not factors that affect job satisfaction. The remaining KM processes (knowledge sharing and retention) had connections with job satisfaction. In addition researchers Prunzinsky et al. (2016), knowledge creation is not factor that affect job satisfaction. This might be because of the context of the study. On the other hand, based on the findings, Saed (2016) suggested that higher is the knowledge sharing the higher will be employee performance. Trivellas et al (2015) has also found a positive association between knowledge sharing and job satisfaction.

Therefore, the researcher argued the above research results. Beside to these most researcher focus on the relationship between knowledge management practices and job satisfaction. But they didn't focus on the impact of those variables has on the impact of knowledge management has on job satisfaction and also they didn't consider organizational performance that will be resulted due the employees job satisfaction. Based on these the researcher proposed the following hypothesis statements:

**Hypothesis 1**: Knowledge acquisition will significantly affect Employees job satisfaction

**Hypothesis 2**: knowledge sharing will significantly affect Employees job satisfaction.

**Hypothesis 3**: Knowledge creation will significantly affect Employees job satisfaction.

**Hypothesis 4**: knowledge retention will significantly affect Employees job satisfaction.

**Hypothesis 5**: Job satisfaction will significantly affect Employees job satisfaction
Conclusion

This conceptual paper gives a broad understanding on the knowledge management, job satisfaction and organization performance. Different research papers and literatures are reviewed to clarify the relation between those three variables. Accordingly, this study explore deep understanding about the impact of knowledge management towards organization performance from different research reviews. From these review we understood that a good knowledge management practice result in employees job satisfaction and if the employees are satisfied they perform best in achieving organization goal. So, in simple words if there is knowledge management, there is employees job satisfaction and if there is employees job satisfaction there is good organizational performance. Based on these logic through the process of adopts and adapt, a conceptual framework is recommended as the model to lead this study. Therefore, further research should be conducted in order to enhance the understanding of the concepts and the effect of KM towards organizational performance by taking employee’s job satisfaction as intermediate variable.
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