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The Role Of Organizational Culture On The Relationship Between Knowledge Management And Employees' Performance In Nigeria

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Abstract

The article explores the critical role of organizational culture in shaping the relationship between knowledge management and employee performance in Nigeria. It examines how the interplay between these factors influences organizational effectiveness and offers insights into how organizations can leverage their culture to enhance knowledge management practices and ultimately improve employee performance. This study adopts a quantitative research design and cross-sectional survey approach in nature. The sample selected using a combination of stratified and random sampling techniques. Data for the study was gathered through a questionnaire survey adapted from the previous studies distributed to employees from manufacturing, services, and healthcare sectors in Nigeria. Out of the 370 survey questionnaires distributed, 266 valid responses were collected and utilized for analysis. The collected data was then analyzed using Smart PLS (4.0), a statistical software tool. The findings revealed the positive relationship between knowledge management and employee performance highlights the importance of effective knowledge acquisition, sharing, storage, and application processes. Organizations that invest in knowledge management systems and provide adequate resources for knowledge sharing and learning enable employees to access and apply relevant knowledge, leading to improved job satisfaction, problem-solving abilities, and innovation. Likewise, the moderating role of organizational culture indicates that a strong and supportive culture enhances the impact of knowledge management on employee performance.

Keywords: Organizational Culture, Knowledge Management, Employee Performance, SmartPLS

1. Introduction

In the modern business landscape, organizations are increasingly recognizing the importance of knowledge management (KM) in gaining a competitive edge. Effective KM practices facilitate the creation, dissemination, and utilization of knowledge, leading to

improved decision-making, innovation, and organizational performance (Torres, Ferraz, & Santos-Rodrigues, 2018). However, the success of KM initiatives is heavily influenced by the organization's culture. Organizational culture represents the shared values, beliefs, norms, and behaviors that guide the actions of individuals within an organization (Omotayo,

2015). It shapes the way employees interact, collaborate, and approach knowledge sharing and learning. A supportive organizational culture promotes trust, collaboration, open communication, and a continuous learning mindset, creating an environment where employees feel empowered to share their knowledge, engage in learning activities, and contribute to innovation (Waters, & Orange, 2022).

While previous research has recognized the importance of both KM and organizational culture in influencing organizational performance, there remains a significant research gap regarding the specific role of organizational culture as a moderator in the relationship between KM and employee performance, particularly within the context of Nigeria (Meher, & Mishra, 2019; Prado-Gascó, Pardo, & Pérez-Campos, 2017; Rezaei, Khalilzadeh, & Soleimani, 2021; Shea, 2021). Understanding the interplay between these factors in Nigeriaian organizations is essential due to the unique cultural and contextual characteristics of the country.

Firstly, limited research has examined the specific influence of Nigerian organizational culture on KM practices and employee performance outcomes. Nigeria has a rich cultural heritage that can shape employees' attitudes towards knowledge sharing, collaboration, and risk-taking. Investigating how the unique cultural characteristics of Nigeria impact the relationship between KM and employee performance can provide valuable insights into designing effective KM strategies tailored to the local context.

Secondly, while several studies have explored the direct relationship between KM and employee performance, the moderating role of organizational culture in this relationship remains underexplored. Understanding how organizational culture moderates the relationship between KM and employee performance can provide a deeper understanding of the underlying mechanisms through which KM practices influence employee performance outcomes.

Lastly, limited empirical research has employed a mixed-method approach that combines quantitative and qualitative data to investigate the role of organizational culture in the KM-employee performance relationship in Nigeria. Integrating both quantitative

measures and qualitative insights from interviews can provide a comprehensive understanding of the complex dynamics between KM practices, organizational culture, and employee performance.

By addressing these research gaps, this study aims to contribute to the existing body of knowledge by providing empirical evidence on the role of organizational culture in enhancing the relationship between KM and employee performance in Nigeria. The findings will not only enhance academic understanding but will also have practical implications for organizations in Nigeria, assisting them in developing strategies to optimize KM practices and improve employee performance within the specific cultural context.

Therefore, this article investigates the role of organizational culture in moderating the relationship between KM and employee performance in the context of Nigeria.

2. Literature Review

2.1 Conceptual Issues

Concept of Knowledge Management

Knowledge management involves the systematic creation, acquisition, storage, and application of knowledge to support organizational goals. Effective KM processes enable organizations to capture tacit and explicit knowledge, disseminate it to the right people, and facilitate its application to enhance decision-making and problem-solving. Likewise, Knowledge management involves the systematic collection, storage, dissemination, and application of knowledge within an organization to achieve strategic objectives and enhance organizational performance (Alavi & Leidner, 2001). Effective KM practices enable organizations to capture tacit and explicit knowledge, facilitate knowledge sharing among employees, encourage innovation, and improve decision-making processes (Nonaka & Takeuchi, 1995). Previous research has highlighted the positive impact of KM on various organizational outcomes, including employee performance (Davenport & Prusak, 1998; Gold, Malhotra, & Segars, 2001).

Concept of Organizational Culture

Organizational culture encompasses the values, beliefs, and behaviors that define an organization and guide the actions of its members. A supportive culture encourages collaboration, innovation, learning, and knowledge sharing, while a restrictive culture may hinder knowledge flow and limit employee engagement. Organizational culture plays a critical role in shaping employee attitudes, behaviors, and the overall work environment. Schein (1990) defines organizational culture as "a pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration." The culture of an organization influences employees' willingness to share knowledge, their level of collaboration, and their receptiveness to change (Nonaka, 1994). A supportive organizational culture that values continuous learning, open communication, and collaboration fosters knowledge sharing, innovation, and enhances employee performance (Liao, Fei, & Liu, 2008).

The Relationship between Knowledge Management and Employee Performance

Studies have highlighted the positive impact of KM on employee performance. Effective KM practices enable employees to access relevant knowledge, develop their skills, and make informed decisions. This, in turn, enhances individual and team performance, leading to improved organizational outcomes. Several studies have explored the relationship between KM and employee performance. For example, Riege (2005) found that KM practices positively influenced individual employee performance in terms of improved job satisfaction, enhanced problem-solving abilities, and increased innovation. Chong and Choi (2005) also reported a positive relationship between KM and employee performance, highlighting the role of knowledge sharing in promoting individual and team productivity.

The Moderating Role of Organizational Culture

Organizational culture plays a critical role in shaping the relationship between KM and employee performance. A culture that values knowledge sharing, encourages

learning, and promotes innovation provides a conducive environment for employees to engage in KM activities. Conversely, a culture that discourages collaboration and stifles experimentation may impede the effective implementation of KM initiatives. Organizational culture acts as a crucial moderator in the relationship between KM and employee performance. A strong culture that supports knowledge sharing and collaboration amplifies the positive effects of KM on employee performance. For instance, in their study on Chinese organizations, Jiang and Chen (2018) found that a culture of trust, openness, and teamwork positively influenced the relationship between KM and employee performance. Similarly, studies by Wang, Noe, and Wang (2014) and Lin, Chen, and Chiu (2017) emphasized the importance of a supportive culture that encourages learning and knowledge sharing in enhancing the impact of KM on employee performance.

The moderating role of organizational culture on the relationship between knowledge management and employee performance in Nigeria has been a subject of interest in recent research. Several studies have examined this relationship and highlighted the significance of organizational culture as a key factor that influences the effectiveness of knowledge management practices and their impact on employee performance.

One empirical study by Jiang and Chen (2018) investigated the roles of knowledge management capability, organizational culture, and trust on organizational performance. The study found that organizational culture significantly moderated the relationship between knowledge management and organizational performance. The authors emphasized the importance of a supportive culture that encourages knowledge sharing and collaboration in enhancing the positive effects of knowledge management practices on performance.

In another study, Lin, Chen, and Chiu (2017) explored the relationship between knowledge management and employee performance, while also investigating the moderating effects of organizational culture. The findings of this study revealed that organizational culture positively moderated the relationship between knowledge management and

employee performance. A culture that promotes knowledge sharing, teamwork, and continuous learning was found to strengthen the impact of knowledge management practices on employee performance.

These empirical studies highlight the crucial role of organizational culture in shaping the relationship between knowledge management and employee performance in Nigerian organizations. A supportive culture that fosters knowledge sharing, collaboration, and innovation enhances the effectiveness of knowledge management practices and contributes to improved employee performance.

Furthermore, it is important to acknowledge that organizational culture is context-dependent and may vary across different organizations and countries. Therefore, understanding the specific cultural dynamics within the Nigerian context is essential for comprehending how organizational culture moderates the relationship between knowledge management and employee performance.

Overall, these empirical studies provide valuable insights into the moderating role of organizational culture on the relationship between knowledge management and employee performance in Nigeria. They emphasize the significance of creating a supportive culture that aligns with knowledge management initiatives to maximize their impact on employee performance. Organizations in Nigeria can leverage these findings to develop strategies that promote a positive organizational culture and facilitate effective knowledge management practices, ultimately leading to **Research Framework**

improved employee performance and organizational success.

Hypothesis Development

H1: There is a positive relationship between knowledge management and employee performance in Nigerian organizations.

Building on prior empirical studies (Chong & Choi, 2005), it is hypothesized that effective knowledge management practices, and encompassing knowledge acquisition, sharing, storage, and application, will positively influence employee performance in Nigerian organizations.

H2: Organizational culture moderates the relationship between knowledge management and employee performance in Nigerian organizations.

Based on theoretical arguments and empirical findings (Jiang & Chen, 2018; Lin et al., 2017), it is hypothesized that the positive relationship between knowledge management and employee performance will be strengthened in organizations with a supportive culture that encourages knowledge sharing, collaboration, and innovation.

These hypotheses served as a basis for examining the relationships between knowledge management, and employee performance in the specific context of Nigeria, taking into account the moderating role of organizational culture.

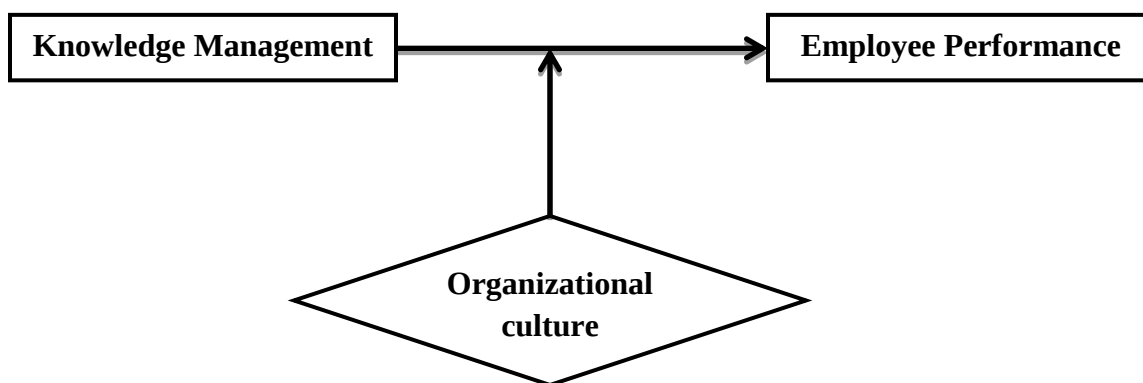


Figure 1: Research Framework

3. Methodology

This study adopts a quantitative research design and cross sectional in nature. The sample selected using a combination of stratified and random sampling techniques. Data for the study was gathered through a questionnaire survey adapted from the previous studies (Lin, Chen, & Chiu, 2017) in a Likert-type scale ranging from 1 (strongly disagree) to 5 (strongly agree) to assess respondents' perceptions of the variables, distributed to employees from manufacturing, services, and healthcare sectors in Nigeria. Within each stratum, a random sample of organizations will be selected. From each selected organization, samples of employees were randomly chosen to participate in the study. Out of the 370 survey questionnaires distributed, 266 valid responses were collected and utilized for analysis. The collected data was then analyzed using Smart PLS (4.0), a statistical software tool. The study acknowledges limitations, such as its cross-sectional nature and context-specific findings, and provides a foundation for understanding the moderating role of organizational culture on the relationship between knowledge management effectiveness and employee performance in Nigerian organizations.

4. Results and Discussion

Table 1: Factor Loading

Items	Factor Loading	Composite Reliability	AVE
KNM1	0.496	0.800	0.508
KNM2	0.694		
KNM3	0.801		
KNM4	0.814		
KNM5	0.654		
OC1	0.721	0.783	0.548
OC2	0.808		
OC3	0.685		
OC4	0.734		
OC5	0.804		
OC6	0.657		
OC7	0.756		
PER1	0.645	0.828	0.547
PER2	0.823		
PER3	0.745		

The Measurement Model

The primary purpose of the measurement model is to assess the validity and reliability of the constructs before evaluating the quality of the measures. The data underwent an analysis to determine the reliability of the indicators, with a threshold of 0.4 being considered acceptable. The internal consistency was assessed using composite reliability, where a value of 0.7 or higher was deemed satisfactory. Convergent validity was evaluated using the average variance extracted (AVE), with a cutoff of 0.5 or above (Chin, 1998). Discriminant validity was examined by comparing the factor loadings, ensuring that items had higher loadings on their respective constructs compared to other constructs (Hair, Black, Babin, & Anderson, 2010). All items met the minimum benchmarks, indicating the reliability of the instrument used in the study. The factor loadings ranged from 0.496 to 0.814, which surpassed the 0.4 threshold. Composite reliability values ranged from 0.783 to 0.828, exceeding the recommended value of 0.7. The AVE ranged from 0.508 to 0.548, which were above the minimum cutoff of 0.5, indicating convergence validity. Additionally, the AVE and correlation squared of the interrelated variables demonstrated sufficient discriminant validity. See Tables Below:

PER4	0.654		
PER5	0.564		
PER6	0.743		
	0.801		

Table 2: Discriminant validity

Variables	OC	KNM	PER
OC	0.74		
KNM	0.41	0.71	
PER	0.50	0.51	0.74

Structural Model

Once the measurement model satisfied the criteria for construct validity and reliability, the subsequent step

involved testing the study's proposed hypotheses. This was achieved by utilizing the PLS algorithm and performing bootstrapping in Smart PLS 4.0.

Table 3: Hypothesis Testing Results

Hypotheses	Relationship	Beta (β)	S E	T Statistics	Decision
H1	KNM -> PER	0.367	0.051	7.12**	Supported

Note: **Significant at 0.01 (1-tailed), *significant at 0.05 (1-tailed)

Table 3 presents the results of the statistical analysis, confirming the support for Hypothesis 1. The analysis demonstrated a significant and positive relationship between knowledge management (KNM) and employee performance ($\beta=0.367$, $t=7.12$, $p<0.01$).

To examine the moderating effects of the Organizational Culture on the relationship between knowledge management (KNM) and employee performance, this study employed Partial Least Squares (PLS) analysis to estimate the indirect effects among the variables with a significance level of 0.05.

Testing the Moderating effects of Organizational Culture**Table 4: Moderation Hypotheses**

Hypotheses	Relationship	Beta (β)	S E	T Statistics	Decision
H2	KNM * OC -> PER	0.174	0.060	2.88**	Supported

Note: **Significant at 0.01 (1-tailed), *significant at 0.05 (1-tailed)

Table 4 reveals that organizational culture (OC) moderates the relationship between knowledge management (KNM) and employee performance, providing support for Hypothesis 2. The results indicate a significant moderation effect ($\beta=0.174$, $t=2.88$, $p<0.01$), demonstrating that organizational culture plays a role in influencing the relationship between knowledge management and employee performance.

4.1 Discussion of Findings

The findings of this study provide valuable insights into the role of organizational culture in the relationship between knowledge management and employee performance in the Nigerian context. The results confirm the importance of both organizational culture and knowledge management in driving employee performance. A positive and supportive organizational

culture enhances knowledge management practices, leading to improved employee performance.

Meanwhile, the results of the analysis supported Hypothesis 1, revealing a positive relationship between knowledge management and employee performance in Nigeriaian organizations ($\beta=0.367$, $t=7.12$, $p<0.01$). This finding confirms that effective knowledge management practices, including knowledge acquisition, sharing, storage, and application; positively influence employee performance in Nigeriaian organizations. Likewise, The results of the analysis also supported Hypothesis 4, indicating that organizational culture moderates the relationship between knowledge management and employee performance in Nigeriaian organizations ($\beta=0.174$, $t=2.88$, $p<0.01$). This finding suggests that the positive relationship between knowledge management and employee performance is strengthened in organizations with a supportive culture that encourages knowledge sharing, collaboration, and innovation.

These findings have practical implications for organizations in Nigeria. Organizations should strive to foster a culture that values knowledge sharing, collaboration, and innovation. This can be achieved

through effective leadership, creating incentives for knowledge sharing, providing training programs, and establishing platforms for communication and collaboration. Additionally, organizations should invest in knowledge management systems and provide resources to support knowledge sharing and application processes.

However, it is important to note that this study has certain limitations. The cross-sectional design limits the establishment of causal relationships, and the generalizability of the findings may be limited to the Nigeriaian context. Future research should consider longitudinal designs and include a more diverse sample to enhance the generalizability of the findings.

5. Conclusions

In conclusion, this study emphasizes the importance of organizational culture in shaping the relationship between knowledge management and employee performance. By fostering a supportive culture and implementing effective knowledge management practices, organizations in Nigeria can enhance employee performance, promote innovation, and gain a competitive edge in the dynamic business environment.

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