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Effect of Knowledge Management on Organization  
Performance

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## Effect of Knowledge Management on Organization Performance

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### Abstract

**Purpose:** The underlying rationale for learning organizations is that in circumstances of quick change just those that are adaptable, versatile and gainful will exceed expectations. For this to happen, it is contended, associations need to find how to tap individuals' responsibility and ability to learn at all levels. The general objective of the study was to evaluate effect of knowledge management on organization performance.

**Methodology:** The paper used a desk study review methodology where relevant empirical literature was reviewed to identify main themes and to extract knowledge gaps.

**Findings:** The study concludes that knowledge protection had the greatest effect on the performance of microfinance organizations, followed by knowledge acquisition, then knowledge conversion while knowledge application had the least effect to the performance. The study found out that the organizations have impressed attributes of knowledge applications such as individuals, organization culture, and identity, policies and documents in their organization which had resulted in improved performance. However, routines and systems were found to have less influence on the performance of these organizations.

**Recommendations:** There is a need for managers also need to take advantage of the technological capability to support knowledge application processes. In particular, organizations should use technology to map the location of specific types of knowledge, thereby facilitating the application and sharing of knowledge. Technology also should be connected to encourage individuals in different areas to take in as a gathering from a solitary or numerous assets and a single or various focuses in time. Thusly, social and specialized infrastructural components can supplement each other and meet up to improve learning focused procedures.

**Keywords:** *effect, knowledge management, organization performance.*

## **1.0 INTRODUCTION**

### **1.1 Background of the Study**

Knowledge is a liquid surrounded affair, values, relevant data and master knowledge that give a structure to assessing and fusing new aptitudes and data. It emanates from and applies to those of the ability to understand (Gronau, Thim, Ullrich, Vladova & Weber, 2016). Knowledge has been termed as a vital resource of economy and possibly the single source of gaining competitive advantage (Intezari, & Gressel, 2017). Today's business world embraces the economy of knowledge to improve their corporate performance. It is the responsibility of an organization to have knowledge management on how to improve both their internal and external competitiveness (Tseng & Lee, 2014). Knowledge management means the process of managing knowledge through a systematically and organizationally specified process (Wong, Tan, Lee & Wong 2015). According to Botha, Kourie, and Snyman (2014), in its early stages knowledge management mainly focused on technical aspects and providing IT business solutions and afterward it included social aspects such as the community, development of individuals and the environment in which the organization is subjected to. However, successful implementation of knowledge management practices can enable the organization gain competitive advantage through development of knowledge assets (Heisig, Suraj, Kianto & Faith 2016).

It is evident that knowledge has little by little become the most critical aspect in production, subsequently to resources like labour, land and capital (Lee & Wong, 2015). Even though some ways of intellectual capability can be transferred, intrinsic knowledge cannot. As a result, the significant goal of management is to enhance the process involved in acquiring, integrating and using knowledge as it is exactly what pertains to knowledge management (Hasan, 2016). Information technology improvement and introduction of new innovations have enabled many organizations to remain competitive and these organizations are able to realize the changes from resource economy pertaining control of land, labour and capital and to knowledge economy of business value creation by adequately using intangible knowledge. On the other hand, the key concern has been how to successfully achieve knowledge management (Hasan, 2016). To stay competitive and to survive, there is a need to continuously modify strategies so as to achieve the needs of the business and this regards to the knowledge management growth for last few years (Pearlson, Saunders, & Galletta, 2016). Organizations need a different kind of knowledge strategy for different kind of situations. According to Bishwas (2014), strategies regarding the management of crisis, knowledge and performance of organization are dependent to each other but not independent. The best transformation from tacit knowledge to explicit knowledge enables that organization to use the knowledge in finding the solution and to utilize any new chance and support organizational learning (Bishwas, 2014).

The organizations that work as if their environment is still stable (old world of business), not only are they losing the competitive advantage; but also, they are facing massive financial losses. They also lose knowledge of best practice in a specific area of operations because of a critical employee's departure and finally they lose in the relationship with a key client or supplier or a sponsor by the departure of key individuals (Muthee, 2014). Knowledge management is a key source of competitive advantage for the organization as it enables organizations in acquiring skills and understanding through experimenting and process (Yiu & Law, 2014). The major concern, however, is, for effective implementation of knowledge management in organizations it is crucial

for organizations to identify and understand the essential practices that will influence the success of knowledge management initiatives as these may have profound effects on the organization performance (Yiu & Law, 2014). These techniques are the main thrust in completing learning administration, they do not simply broad information in the organization by invigorating the formation of information, yet they likewise persuade the members of group to impart their insight and encounters to each other, enabling authoritative information to develop simultaneously and efficiently (Muthee, 2014).

Organizational performance can be evaluated by quality service and products, satisfying customers, market performance, service innovations, and employee relationships (Dess & Robinson, 2014). The author also state that organizational performance is based on balanced scorecard, stated that organizational performance can be appraised by return of investment, margin on sales, capacity utilization, customer satisfaction and product quality. In the same way, Richard, Devinney, Yip and Johnson (2011) identified that return on investment, sales and market growth, and profit are important factors that be measured by organization performance. Organizations have an important role in our daily lives and therefore, successful organizations represent a key ingredient for developing nations (Covey, 2012). Jones, George and Hill (2010) observe that in today's dynamic and rapidly changing workplace and globalised economy, development of organisational performance is associated with the development personal performance, skills, knowledge and experience. However, the ability to achieve and maintain high performance and productivity in organizations is a key challenge facing management today. Organizational performance is generally assessed with financial indicators such as return on investment or profit per share. Morin (2014) indicates that organizational performance are based on indicators such as return on investments, sales, profit per share Nevertheless, an organization has many other facets; among them are the people who work for it, the processes they use to achieve its objectives, and the environment in which the organization evolves. Kaplan and Norton's (1992) Balance Scorecard includes financial and non-financial indicators of four main organizational facets: financial, costumers, internal processes and innovation and improvement.

The term knowledge was used very long ago by ancient scholars such as Plato and Aristotle. Over the years, scholars have attempted to redefine knowledge and explain its place in society. Sigala and Chalkiti (2007) observe that knowledge falls into two schools of thought, namely-rationalism and empiricism. Rationalism supports that knowledge is a-justified true belief, while empiricism argues that knowledge is created on an ongoing basis from experience (Habermas, 2015). More recent work provides a build-up approach for understanding what knowledge is and how it is developed. This new perspective can be summarized into the categorization of knowledge's building blocks which follows: data organized in meaningful format from information, which in turn is transformed into knowledge if the latter is purposefully attached to an operating function (Polanyi, 2012). Knowledge management is therefore the planning, organizing, motivating, and controlling of people, processes and systems in the organization to ensure that its knowledge-related assets are improved and effectively employed (Mosoti & Masheka, 2010). Knowledge-related assets include knowledge in the form of printed documents such as patents and manuals, knowledge stored in electronic repositories such as a "best-practices" database, employees' knowledge about the best way to do their jobs, knowledge that is held by teams who have been working on focused problems and knowledge that is embedded in the organization's products, processes and relationships (Aggestam, 2015). The processes of KM involve knowledge

acquisition, creation, refinement, storage, transfer, sharing, and utilization. The KM function in the organization operates these processes, develops methodologies and systems to support them, and motivates people to participate in them. The goals of KM are the leveraging and improvement of the organization's knowledge assets to effectuate better knowledge practices, improved organizational behaviors, better decisions and improved organizational performance (Polanyi, 2015). Although individuals certainly can personally perform each of the KM processes, KM is largely an organizational activity that focuses on what managers can do to enable KM's goals to be achieved, how they can motivate individuals to participate in achieving them and how they can create social processes that will facilitate KM success (King, 2008)

## **1.2 Statement of the Problem**

Knowledge has in the recent past been recognized as the organization's most important asset (Gituma, 2017). Dlamini (2017) indicated that with knowledge being a very complicated asset, it had received special treatment from the organization's management, unlike other resources. Despite the rising popularity of knowledge management across different organizations of the world, knowledge management has not received too much attention from the small and medium-sized enterprise. Therefore, this research aims at establishing the effect of knowledge management on organization performance.

## **1.3 Objectives of the Study**

The general objective of the study was to establish the effect of knowledge management on organization performance.

## **1.4 Justification and Significance of the Study**

Findings, conclusions, and recommendations derived from this study will be substantial to driving organizational performance and impacting on corporate best practices. The study is of importance to different researchers and scholars of the world in the sense that, by adequately investigating the effect knowledge management has on organizational performance, the study adds to the body of knowledge management by expanding on the existing literature. Lastly, this will be of great importance to the respective government, in that, the microfinance institutions that are a significant contributor to economies globally hence the study recommended ways through which the governments can promote knowledge management in organizations consequently impacting on their performance

# **LITERATURE REVIEW**

## **2.1 Theoretical review**

Two theories were found relevant on establishing the effect of knowledge management on organization performance. The theories that was found to best inform the research constructs are knowledge based view (Penrose, 1959) and organization knowledge creation theory (Nonaka, 1986).

### **2.1.1 Knowledge-Based View**

The knowledge-based view (KBV) of the firm thinks about learning as the most deliberately critical asset of a firm. Its advocates contend that since learning based assets are normally hard to mimic and socially perplexing, heterogeneous information bases and capacities among firms are

the real determinants of maintained upper hand and prevalent performance of the corporate (Kitchlew, 2015). This learning is implanted and conveyed by different elements including hierarchical culture and personality, approaches, schedules, archives, frameworks, and the organizational workforce (Kitchlew, 2015). Theorists believe that the knowledge-based view of the firm is the characteristic development of the asset based view on the grounds that the asset with the most supported upper hand is the most profitable, incomparable and fixed of all which is knowledge (Mitra, O'Regan&Sarpong, 2017). The core assumptions of this theory are; firms apply knowledge to the generation of merchandise and administration, information is the most deliberately critical of a company's asset, knowledge is made and held by individual not organizations, and finally, firms exist since business sectors are unequipped for organizing the learning of the individual specialty. This is the part of administration within the organization. The comprehension of information as an asset makes the notional organization with the asset based view (Hughes, Powell, Chung and Mellahi, 2017). Another explanation behind the information based seem to be an expansion of the asset based view is the impression of associations to be heterogeneous substances containing learning(Mitra, O'Regan&Sarpong, 2017). As explained by Mitra, O'Regan and Sarpong (2017) the reason for knowledge management is to catch an organization's aggregate aptitude and appropriate it wherever it can accomplish the greatest result. This is by the information based perspective of the firm which recommends that the wellspring of upper hand exists in the business. In this research, the knowledge-based view is used as a management concept which provides the firm with strategies for achieving competitive advantage. It is the approach used to form the basis for the establishment of human capital involved in the basic and routine activities of the firm and further introduces the strategic asset which forms the basis of acquiring competitive advantage for organizations. These strategic assets are difficult to imitate and socially complex of which knowledge can have these characteristics. In this regard, there is a need to manage this vital asset that is, knowledge (Hughes et al., 2017).

### **2.1.2 Organizational Knowledge Creation Theory**

Nonaka and Toyama (2015) proposed organizational knowledge creation theory to explain the occurrence of creation organizational knowledge. They defined organizational knowledge creation as the capacity of an organization to make new learning, spreads it all through the organization, and epitomizes it in items, administrations, and frameworks (Nonaka& Toyama, 2015). This theory rests on the 13 assumption that an organizational knowledge developed through a ceaseless exchange amongst tacit and explicit learning by means of four examples of associations, socialization, combination, internalization, and externalization. Correct knowledge is systematized information transmittable in formal, orderly dialect though implicit information is the customized information that is difficult to formalize and impart and profoundly established in real life, duty and contribution in setting (Nonaka& Toyama, 2015). Socialization is the connection between people through systems, for example, perception, impersonation or apprenticeships. Combination involves consolidating unequivocal learning through gathering and discussion or utilizing data frameworks (Alkhabra, Haron& Abdullah, 2017). Internalization changes tacit knowledge into implicit learning though externalization changes over explicit knowledge into exact information. The theory additionally expresses that authoritative information creation happens when every one of the four methods of information transformation frame a consistent cycle activated by such activities as group collaborations, exchange, metaphors, coordination, documentation, experimentation, and learning by doing(Alkhabra, Haron& Abdullah, 2017). Organizational

knowledge creation is an upward winding procedure from the individual level to the aggregate gathering level, and afterward to the corporate level, occasionally to the inter-organizational level (Nonaka & Toyama, 2015). In this research, the theory provides a strategy for creating new vital knowledge and as an approach to better make use of existing learning resources by redeploying them into regions where the firm stands to a chance of gaining. On the other hand, knowledge management improves the organization's capacity to shield its imperative learning and skills from being lost or duplicated.

## 2.2 Empirical Review

Chebet, (2020) conducted a study that focused on the effect of knowledge management practices on service delivery at Oxfam international, Kenya. The study was anchored on 3 theories: The Resource-Based theory, the Adaptive Saturation theory as well as the organizational Conversion theory. The study used descriptive statistics method carrying out this research. This research design describes data and the features relating to a population under study and hence it was ideal in this study because it was easier to describe the influence of knowledge management on the organizational performance. The target population was therefore 65 staff of Oxfam international headquarters. The collected data was analyzed using descriptive statistics such as mean, standard deviation, frequency distribution as well as percentages. Managers of Oxfam farms and NGOs in Kenya benefit widely from the study, as it helps them to assess the knowledge management and put the best measures in place so as to ensure that NGOs is enhanced and improved thus increasing on productivity and better services to clients. Government benefits widely from this study. It is important for growth in terms of revenue that government organizations remain profitable because this is where the government earns its revenue via taxes and through knowledge management this goal will be easily met. NGOs regulators such as NGOs regulation authority- NGOs Co-ordination Board greatly benefit from the study because they are responsible in ensuring that the NGOs Kenya operate within the law and they offer quality service which are fair to all communities thus it benefits the regulator in the sense that they are able to manage knowledge in all aspect and ensure quality of service is offered. The study concluded that knowledge management practices had a significant and to a great extent affected the service delivery at Oxfam International in Kenya. The study concluded that the organization embraced knowledge sharing through sharing lessons, publicizing the lessons, cooperation and exchange of experience, valuing lessons and awarding and recognizing lessons learned. It was concluded that knowledge application was significantly employed by the international organization through knowledge conversion, training, seamless use of available knowledge by staff, integration of modern IT, KM strategy use and support from staff. It was further concluded that the organization employed knowledge storage to a great extent through documentation, record keeping, classifying information and training on use of structured format for documentation.

Kithuka, (2020) conducted a study on the effect of knowledge management practices on the performance of Solidaridad Eastern and Central Africa, Kenya office. The study was guided by the following specific objectives; to establish the effect of knowledge acquisition on performance of Solidaridad Eastern and Central Africa, Kenya office, to establish the effect of knowledge dissemination on performance of Solidaridad Eastern and Central Africa, Kenya office, to establish the effect of knowledge utilization on performance of Solidaridad Eastern and Central Africa, Kenya office and to establish the effect of knowledge storage on performance of Solidaridad Eastern and Central Africa, Kenya office. The study was guided by the Resource Based Views

Theory and the Knowledge Spiral Theory. The study adopted a descriptive research design. The target population was 52 employees of Solidaridad Eastern and Central Africa, Kenya office drawn from the different job levels. The study used a census and thus the sample size was 52 respondents. The study collected primary data using questionnaires. The collected data was analyzed using means, standard deviations and regression analysis. The findings were presented using tables and figures. The findings of the study were important to the management of Solidaridad Eastern and Central Africa, Kenya office as well as the other 7 expertise centers, stakeholders, future scholars and academicians. The study established that knowledge management practices significantly and positively influenced the performance of Solidaridad International, East and Central Africa, Kenya Offices. The variables explained 85.4% of the changes in performance of the organization. The study concluded that knowledge acquisition, knowledge dissemination, knowledge utilization and knowledge storage had a positive effect on the performance of the organization. Solidaridad had to a significant extent embraced knowledge management which led to improved database management, decision making and research and customer service. The study recommends that the organization needs to improve its research and development to improve innovations and knowledge creation.

Ngatia,(2019) conducted a study to determine the types of knowledge at the Kenya Revenue Authority, to find the knowledge management enablers at the Kenya Revenue Authority and to determine the measures taken by the Kenya Revenue Authority to manage the knowledge and improve its performance. The literature review of the study deploys the theories of knowledge management, performance and competence. The empirical literature includes types of knowledge, knowledge management enablers, knowledge management techniques and tools as well as knowledge management strategies. The study employed a descriptive cross sectional survey. A sample of 60 KRA employees from a total of 1200 based at the headquarters were surveyed. Primary data was collected from the respondents using a 5-scale Likert type questionnaire. The quantitative data collected was analyzed utilizing both Excel spreadsheet and Statistical Package for Social Sciences (SPSS). Median and mode was computed for central tendency while the inter quartile range was used as a measure of dispersion. Percentages and frequencies were utilized to present part of the findings. Pseudo R square statistics were utilized as a measure of relationship between knowledge administration procedure (autonomous variable) and execution. The study revealed that, KRA has introduced knowledge management in its operations with a mean of 5.1 and a coefficient of variation of 0.21. The study further revealed that, majority of the respondents agree, that knowledge leadership enabled the establishment of knowledge management in the organization. It also reveals that knowledge management enabled the entrenchment of the business imperative at KRA. Also, knowledge management is anchored on the technology infrastructure of KRA and has improved knowledge sharing and usage while reducing lack of knowledge retention and transfer.

Wairimu,(2018) conducted a study to determine Knowledge Creation practices and performance of agricultural cooperative societies, examine Knowledge Preservation practices and performance of agricultural cooperative societies, determine Knowledge Sharing practices and performance of agricultural cooperative societies and determine Knowledge utilization practices and performance of agricultural cooperative societies in Thika Sub-County. The study employed Knowledge-Based Theory and Kogut and Zander's Knowledge Management Theory. The research adopted a

descriptive survey design. The study targeted 20 farmers' co-operative societies registered under the Co-operative societies Act in Thika Sub-County in which there are 20 managers and 20 marketing managers. Using Gay (1976) sampling method techniques where the population is equal to the sample is known as a census survey, only 18 managers and 18 marketing managers. The 2 managers and 2 marketing managers were included in the sample size as they were used for study piloting. The study used both open-ended and closed-ended questionnaires to collect information. The data collected were both qualitative and quantitative. The quantitative data in this research were scrutinized by use of descriptive and inferential statistics with the help of the Statistical Packages for Social Sciences (SPSS) software. Multiple regression analysis was used to determine knowledge management practices and performance of agricultural cooperatives. Data were presented using frequency distribution tables, bar charts, pie charts and line graphs. From the findings, R was 0.931, R square was 0.92 and adjusted R squared was 0.717. An R square of 0.92 implies that 92% of changes on performance of agricultural cooperative societies are explained by the independent variables of the study. There are however other factors that influence performance of agricultural cooperative societies are not included in the model which account for 8%. An R of 0.931 on the other hand signifies strong positive correlation between the variables of the study. Also, the findings show knowledge transfer practices had a 0.0010 level of significance; knowledge preservation practices had a 0.0012 level of significance, knowledge creation practices showed a 0.0025 level of significant, while knowledge utilization practices showed a 0.0028 level of significance.

Osome, (2018) conducted a study that sought to establish the influence of knowledge management on the performance of KPMG, Kenya. The specific objectives were to determine the effect of the knowledge creation, sharing, storage and dissemination on the performance of KPMG Kenya. The study was anchored on the following three theories which include resource based view theory of a firm, Knowledge based view of a firm and Organizational learning theory. The study used a descriptive research design. The population of study was management staff at the firm head offices in Nairobi City County. This consisted of one hundred and sixty two respondents who are the management staff of the audit firm. A sample of forty nine respondents was taken which forms thirty percent of the target population which was evenly spread across the three levels of management. The primary data was collected by use of semi-structured questionnaires. Data analysis was done by use of descriptive statistics such as frequencies, percentages, mean scores and standard deviation with the aid of Statistical Package for Social Scientists and presented through tables, charts, graphs, frequencies and percentages. The study found out that knowledge creation significantly influenced firm performance, knowledge sharing significantly influenced firm performance, knowledge storage significantly influenced firm performance and knowledge dissemination significantly influenced performance. The study concludes that at KPMG there was training and development programs to improve capacity, had a global network aimed at getting new insights in audit. KPMG operated a blog to share ideas and interact with clients had online interactions with clients and partners over the social media platform and also a document repository to store information and invested in people to enable store data. KPMG released reports regularly on its operations to the users and stakeholders. KPMG had a policy on dissemination of knowledge to other entities. KPMG through marketing, disseminated information about its products and services to the public. The study recommends that KPMG ought to train and development programs to improve capacity. KPMG ought to have a reliable internet coverage. KPMG ought to have an interactive website with all services and products and invest in knowledge sharing. KPMG

ought to invest in storage of information and keep hardware's to enable store knowledge and information. KPMG ought to market so as to disseminate information about its products and services to the public, conducted meetings, workshops and seminars to sensitize the public. The study would be vital for policy invention in Kenyan Auditing Sector, beneficial to other policy makers. Knowledge is vital in building and sustaining competitive advantage in the auditing sector. Improvement to auditing firms, beneficial to scholars if it was added to the knowledge in the field of competitive strategy. Highlights the how implementing knowledge resources affects organization's performance. In addition, act as future reference in KMPG and how organizations operate.

### **2.3 Research gaps**

Methodological gap is the gap that is presented as a result in limitations in the methods and techniques used in the research (explains the situation as it is, avoids bias, positivism, etc.). Chebet, (2020) conducted a study that focused on the effect of knowledge management practices on service delivery at Oxfam international, Kenya. The study was anchored on 3 theories: The Resource-Based theory, the Adaptive Saturation theory as well as the organizational Conversion theory. The study used descriptive statistics method carrying out this research. The collected data was analyzed using descriptive statistics such as mean, standard deviation, frequency distribution as well as percentages. The study concluded that knowledge management practices had a significant and to a great extent affected the service delivery at Oxfam International in Kenya. The study concluded that the organization embraced knowledge sharing through sharing lessons, publicizing the lessons, cooperation and exchange of experience, valuing lessons and awarding and recognizing lessons learned. It was concluded that knowledge application was significantly employed by the international organization through knowledge conversion, training, seamless use of available knowledge by staff, integration of modern IT, KM strategy use and support from staff. The studies presented a methodological gap as it used descriptive statistics while our current study adopted a desktop literature review method

Conceptual gap arises because of some difference between the user's mental model of the application and how the application actually works. Kithuka ,( 2020) conducted a study on the effect of knowledge management practices on the performance of Solidaridad Eastern and Central Africa, Kenya office. The study was guided by the Resource Based Views Theory and the Knowledge Spiral Theory. The study adopted a descriptive research design. The study established that knowledge management practices significantly and positively influenced the performance of Solidaridad International, East and Central Africa, Kenya Offices. The study presented a conceptual gap as it assessed effect of knowledge management practices on the performance of Solidaridad Eastern and Central Africa, Kenya office, while the current study is on effect of knowledge management on organization performance.

### **3.0 METHODOLOGY**

The study adopted a desktop literature review method (desk study). This involved an in-depth review of studies related to evaluating knowledge management on organization performance. Three sorting stages were implemented on the subject under study in order to determine the viability of the subject for research. This is the first stage that comprised the initial identification of all articles that were based on knowledge management on organization performance from

various data bases. The search was done generally by searching the articles in the article title, abstract, keywords. A second search involved fully available publications on the subject on knowledge management on organization performance. The third step involved the selection of fully accessible publications. Reduction of the literature to only fully accessible publications yielded specificity and allowed the researcher to focus on knowledge management on organization performance which was split into top key words. After an in-depth search into the top key words (knowledge management on organization performance), the researcher arrived at 5 articles that were suitable for analysis. The 5 articles were findings from Chebet, (2020) who conducted a study that focused on the effect of knowledge management practices on service delivery at Oxfam international, Kenya. The study was anchored on 3 theories: The Resource-Based theory, the Adaptive Saturation theory as well as the organizational Conversion theory. The study used descriptive statistics method carrying out this research. The collected data was analyzed using descriptive statistics such as mean, standard deviation, frequency distribution as well as percentages. The study concluded that knowledge management practices had a significant and to a great extent affected the service delivery at Oxfam International in Kenya. The study concluded that the organization embraced knowledge sharing through sharing lessons, publicizing the lessons, cooperation and exchange of experience, valuing lessons and awarding and recognizing lessons learned. It was concluded that knowledge application was significantly employed by the international organization through knowledge conversion, training, seamless use of available knowledge by staff, integration of modern IT, KM strategy use and support from staff

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Osome, (2018) who conducted a study that sought to establish the influence of knowledge management on the performance of KPMG, Kenya. Data analysis was done by use of descriptive statistics such as frequencies, percentages, mean scores and standard deviation with the aid of Statistical Package for Social Scientists and presented through tables, charts, graphs, frequencies and percentages. The study found out that knowledge creation significantly influenced firm performance, knowledge sharing significantly influenced firm performance, knowledge storage significantly influenced firm performance and knowledge dissemination significantly influenced performance.

## **SUMMARY, CONCLUSION AND POLICY IMPLICATION FOR FURTHER STUDY**

### **4.1 Summary**

The findings of this study revealed that knowledge acquisition significantly affects the performance of organizations. The study established that Intellectual capital development and Knowledge dissemination have great influence on organizational performance, while development and sustenance of expertise and development of knowledge have a moderate influence on organizational performance. The analysis of the findings also deduced that knowledge conversion significantly influences the organizational performance of organizations. Furthermore, the aspects of knowledge management such as combination were established to have a great influence on organizational performance. Other aspects such as socialization, internalization, and externalization have also a moderate influence on the performance of organizations.

### **4.2 Conclusion**

The study concludes that knowledge protection had the greatest effect on the performance of microfinance organizations, followed by knowledge acquisition, then knowledge conversion while knowledge application had the least effect to the performance. The study found out that the organizations have impressed attributes of knowledge applications such as individuals, organization culture, and identity, policies and documents in their organization which had resulted in improved performance. However, routines and systems were found to have less influence on the performance of these organizations.

### **4.3 Recommendations**

There is a need for managers also need to take advantage of the technological capability to support knowledge application processes. In particular, organizations should use technology to map the location of specific types of knowledge, thereby facilitating the application and sharing of knowledge. Technology also should be connected to encourage individuals in different areas to take in as a gathering from a solitary or numerous assets and a single or various focuses in time. Thusly, social and specialized infrastructural components can supplement each other and meet up to improve learning focused procedures. The study recommended that managers should impress knowledge protection such as technical protection, strategic protection, juridical protection, digital product data protection and organizational protection in their institutions in order to enhance knowledge protection in their organization. They must build up an organizational design which enables the creation of new knowledge, knowledge exchange and transfer across functional boundaries. At the same time, knowledge needs to be frequently examined for errors and mistakes.

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