British Journal of Management and Marketing Studies
ISSN: 2689-5072
Volume 6, Issue 3, 2023 (pp. 107-116)

www.abjournals.org

KNOWLEDGE MANAGEMENT AND ORGANIZATIONAL PERFORMANCE OF SELECTED OIL SERVICING COMPANIES IN DELTA STATE

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Cite this article:

Ethelmary D., Udodiugwu M.I., Nnanyelugo N.T. (2023), Knowledge Management and Organizational Performance of Selected Oil Servicing Companies in Delta State. British Journal of Management and Marketing Studies 6(3), 107-116. DOI: 10.52589/BJMMS-KPXLGOXZ

Manuscript History

Received: 10 July 2023

Accepted: 27 Aug 2023

Published: 4 Sept 2023

ABSTRACT: *The study examined knowledge management and organizational performance of selected oil servicing companies in Delta State. The objective of the study was regarding components of knowledge management such as knowledge conversion and knowledge acquisition. Relevant empirical literature was reviewed concerning the topic under study. The study was anchored on the contingency theory of Fred Fiedler. A descriptive survey research design was adopted as a method of analyzing data. The population of the study was 400 and questionnaires was used to generate data. Handling responses, coding, categorizing, and keyed into Statistical Package for Social Sciences (SPSS) version 22.0 for analysis. The statistics generated were descriptive statistics and inferential statistics. The specific descriptive statistics include percentages and frequencies while the inferential statistics include a multiple linear regression model. Descriptive statistics including the mean and standard deviations were used to analyze the data and capture the characteristics of the variables under the study. Inferential statistics were used to test the nature and magnitude of the relationship between dependent and independent variables. Simple regression analysis and Pearson's correlations were computed to determine the nature and the strength of the relationship among the variables. Analysis of variance statistical tools were used for testing the hypotheses. We concluded that the organizational performance of selected oil servicing companies in Delta State is dependent and sensitive to knowledge management practices, knowledge conversion, and knowledge acquisition. We recommended that the selected oil servicing companies in Delta State55 should plan on how all the variables of knowledge management recommended should be entailed into the organization for proper utilization and efficient organizational performance.*

KEYWORDS: Knowledge Management, Organizational Performance, Oil Servicing, Delta State, Nigeria

Article DOI: 10.52589/BJMMS-KPXLGOXZ
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INTRODUCTION

Background of the Study

In today's economy, the worth of goods, services, of organization is created not only by physical assets but mostly by assets based on all kinds of cognition or insubstantial assets. Factors of production such as labour, land, and capital are more and more needed on effectual usage of knowledge. It is good to know that knowledge management and its mechanism have interested a great number of academicians all over the world. Nonaka and Takeuchi (2013) asserted that only those companies that can create knowledge can be successful in today's globe.

The knowledge of the economy has become an engine that influences the growth of modern organizations. Successful organizations are certainly those continually establishing improvement based on new professions on knowledge, education, and attainments of their workers. The worth of organizations are now largely generated by unsubstantial assets, and not by accepted assets having a tangible form. Nowadays a wide variety of techniques are developed, but only 6 to 30% of organizations value is earned from tangible assets. Everything else comes from insubstantial assets. That is why about 50% of all investments of organizations are made in the domain of unreal (Fuler, 2012). That is why it is more important for managers to pay interest to intangible assets and be able to measure them more expeditiously and obtain core competencies for their organizations. The terms indefinable assets, information assets, and intellectual capital are interchangeable because all three terms are broadly used as intangible assets in accounting literature, by economists, intellectual capital - in management and law literature; and on the whole, they come to the same; to the future benefits that are not embodied materially.

The main characteristics of knowledge-based assets or intangible assets according to Andriessen (2014) are the following: Knowledge second-string labour and capital as basic resources in production and intangible assets create a significant part of the worth added by companies; the knowledge content of the products and services is growing rapidly; the concept of ownership of resources has changed; knowledge resides in the head of employees. Organizations have changed and the management of intangible resources is different from tangible or financial resources.

Knowledge management is defined as the prearranged management of an organization's knowledge assets to create easy achievement of premeditated, strategic aims and purposes, and also the conception of value; it holds close the proposal, method, systems, and strategies that conserve, store, assess, share, refine and create knowledge. Knowledge management (KM) is connected with organizational goals and strategies which guarantee that knowledge is managed to create value for the organization. This involves determining the source and nature of knowledge; significance to the organization; encouraging a culture that boosts learning, allotment, and knowledge creation; providing knowledge to the right people and at the right time; generating new relevant knowledge; facilitating organizational performance in the light of the organization's strategic goals while taking into consideration the threat and opportunities facing the organization. The research, therefore, seeks to investigate knowledge management and organization performance of 5 oil servicing companies in Delta State.

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Statement of the Research Problem

Organizations battle to deal with knowledge more effectively; the major reason is to expand organizational performance. Despite the growing body of theory, there is moderately little knowledge management evidence that makes an open link between knowledge management activities and organizational performance (Kalling, 2013). The problems associated with underutilized knowledge capabilities are assumed to have comparable effects on other organizations as well as the oil servicing companies and as such should be addressed.

Most organizations do not make use of employees' knowledge to boost performance. In most organizations, application of knowledge is too hard; therefore, workers have less to add in choice making. Training staff to obtain knowledge is not feasible in most organizations, even conversion of knowledge and obtaining of knowledge. These should be available to workers if the organization is to perform better; this knowledge component will speed up the product development process which will be of advantage to the organization because if employees are not trained, they will have less to offer.

Objectives of the Study

The specific objective is to identify the relationship between knowledge management and organizational performance of selected oil servicing companies in Delta State. But the specific objectives are listed below:

1. Ascertain the relationship between knowledge conversion and organizational performance of selected oil servicing companies in Delta State.
2. Ascertain the relationship between knowledge acquisition and organization performance of selected oil servicing companies in Delta State.

Research Hypotheses

H01: There is no significant positive relationship between knowledge conversion and organizational performance of selected oil servicing companies in Delta State.

H02: There is no significant positive relationship between knowledge acquisition and the organizational performance of oil-serving companies in Delta State.

CONCEPTUAL REVIEW

Knowledge management is the process through which organizations generate worth from their academic- and knowledge-based assets. It is the systematic supervision of an organization's knowledge possessions for requirements; it consists of the plan, process, strategies, and systems that uphold and develop the storage, assessment, sharing, and creation of knowledge (Alan, 2012).

Knowledge management is a conscious effort to get accurate knowledge to the right people at the right time so that knowledge can be shared and put into action (Aziri, Veseli & Ibraimi, 2013). Nnabuife (2019) opined that since people have diverse types of knowledge from

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different surroundings and fields of study, and various values and forms, information gathering procedure is seen as very important to decision excellence. It is also praiseworthy to note that information sourced inside is usually cheaper. Knowledge management has been defined in diverse ways in scientific literature (Singh, 2016) defined knowledge management as a process or method used to search vital knowledge among diverse knowledge management operations.

Rilemon and Uriarte (2018) defined KM as the broad process of locating, organizing, shifting, and using the information and expertise within an organization. Robbins, Judge and Sanghi (2017) opined that knowledge management is the process of organizing and distributing an organization's knowledge so that the right information gets to the right employee at the right place. Proper knowledge management provides an organization with both a competitive edge, and it improves organizational performance because it makes its workers smarter. Knowledge management in organizations is believed to be an integrated process that helps to enhance and expand the innovation process.

Knowledge process is the structured coordination of managing knowledge effectively. Knowledge processes include activities such as creation, sharing, storage, and using knowledge management. Knowledge processes provide the infrastructure necessary for the organizations to increase the efficiency of knowledge. A prerequisite for the execution of knowledge management is to understand and develop the infrastructure basics required to support the attainment, management, and transfer of implicit and explicit organization. Alhawari and Al-jarrah (2012) are of the opinion that three elements must collaborate to effect the successful application of knowledge management; these are the emphasis on people, process, and technology. The knowledge management process has to do with knowledge acquisition, conversion, application, storing, and protection.

William et al. (2012) argued that another clarification why organizations do not know what they know is that contemporary knowledge management frameworks are not applied efficiently and key knowledge management processes are overlooked. The underlying cause of many mistakes in early knowledge management initiatives is that organizations skip the very first step by not determining whether they know what they know and what they do not know.

Organizational Performance is the ability of an organization to reach its goals and optimize results. We have four types of organizational performance: human resources outcome, organization outcome, financial accounting outcome and capital market outcome. Five categories of organization include uncertainty, overconfidence, mediocrity , accuracy and stability. Organization determinants are declarative knowledge, knowledge procedural, and skill and motivation. If organizations can observe all these, they will perform better.

THEORETICAL FRAMEWORK

This work is backed up with Contingency Theory. This theory tells that no one management approach suits every organization. There are several external and internal factors that will eventually affect the chosen management approach. Contingency theory identifies three variables that are likely to affect an organization’s structure and they are size of the organization, technology being employed, and style of leadership. Fred Fiedler is the theorist behind contingency management theory; he believes that there is a set of leadership traits handy

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for every kind of situation in an organization, meaning that a leader must be flexible enough to adapt to a changing environment.

EMPIRICAL REVIEW

Ebube G.U. (2021) carried out a research on knowledge management to identify knowledge acquisition in various SMEs in Abeokuta, Nigeria using descriptive survey design with a selected population of 50 SMEs in the state obtained from records with the State Ministry of Commerce and Industry. The entire population was used because the number was manageable; the result indicated that knowledge acquisition is necessary in SMEs because, with it, employees will acquire knowledge that will help them perform better in their job.

RESULT

Hypotheses Testing

Under research hypotheses, we attempted to evaluate the two working hypotheses as captured against empirical evidence contained in this study. This was done by validating the hypotheses as stated.

Evaluation of Findings concerning Hypothesis One

H1: Knowledge acquisition has no significant positive effect on the Organizational performance of selected oil servicing companies in Delta state.

Knowledge acquisition was found to be positive and statistically significant in explaining changes in the organizational performance of oil servicing companies in Delta State being that the t-statistics of the standardized beta coefficient of (4.468) is significant at a 5 percent level. Therefore, we reject the null hypothesis and accept the alternative hypothesis.

Evaluation of Findings concerning Hypothesis Two

H2: Knowledge conversion has no significant positive effect on organizational performance of oil servicing companies in Delta State.

Knowledge conversion was found to be positive and statistically significant in explaining changes of organizational performance of oil servicing companies in Delta State being that the t-statistics of the standardized beta coefficient of (4.114) is significant at 5 percent level. Therefore, we reject the null hypothesis and accept the alternative hypothesis.

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DISCUSSION OF RESULTS

The purpose of this study was to investigate the relationship between knowledge management and organizational performance of selected oil servicing companies in Delta State. The study objectives were to examine the effect of knowledge conversion on the organizational performance of oil servicing companies in Delta State, and to determine the effect of knowledge acquisition on the organizational performance of selected oil servicing companies in Delta State.

The first objective was to establish the influence of knowledge conversion and organizational performance of selected oil servicing companies in Delta State (r=0.019, p=0, 000). Regression of coefficient results showed that knowledge conversion and organizational performance were positively and significantly related.

The second objective was to determine the effect of knowledge acquisition on organizational performance of selected oil servicing companies in Delta State. Result findings revealed that knowledge acquisition was positively related with the organizational performance of oil servicing companies in Delta State (r-0.013, p=0.000). Regression of coefficient results also showed that knowledge acquisition and organizational performance of oil servicing companies in Delta State were positively and significantly related.

The results agree with that study of Javed (2013) who conducted a study on the analysis of knowledge conversion which established that knowledge conversion affects the performance of Web-based Learning systems. The results also agree with that of Gholami, Asli, Nazari-Shirkouhi, and Noruzy (2015) that knowledge acquisition, knowledge conversion, knowledge application, and organizational culture have a significant effect on organizational performance, innovation, work relationships, and customer satisfaction. The results are also in agreement with the study by Paul and Neul (2014) that knowledge sharing and absorption are required to achieve and sustain competitive advantage.

SUMMARY

This study examined the effect of knowledge management and organizational performance of selected oil servicing companies in Delta State. Data analyzed with the aid of Statistical Package for Social Science (SPSS) explained the extent to which the knowledge management processes (knowledge conversion and knowledge acquisition) affect oil servicing companies in line with the objectives, research questions and test of hypotheses. The major findings of the study are summarized below:

1. Knowledge conversion positively influences the organizational performance of selected oil servicing companies in Delta State.

2. Knowledge acquisition has a significant positive relationship with the organizational performance of selected oil servicing companies in Delta State.

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CONCLUSION

Knowledge management has become a vital and absolute tool for the growth of many organizations; it is imperative for organizations mainly under study to apply and utilize those components of knowledge management used in the study to enhance the ability of their staff and the organization. The study concluded that knowledge management practices—knowledge conversion (KC), and knowledge acquisition (KA)—are significantly and positively correlated to the organizational performance of selected oil servicing companies in Delta State. In other words, improper management of the knowledge process negatively influences the organizational performance of selected oil servicing companies under study, which leads to low performance.

We concluded that the organizational performance of selected oil servicing companies in Delta State is dependent and sensitive to knowledge management practices (knowledge conversion, and knowledge acquisition).

RECOMMENDATIONS

Based on the conclusion of the study, it was discovered that a positively significant relationship exists between knowledge management processes and the performance of selected oil servicing companies in the area under study. On this note, we make the following recommendations:

1. Knowledge conversion should be planned well in a way that it profits both the organization and the employees.

2. Knowledge acquisition requires the enthusiasm of a group or individual to work with others and share knowledge to be transferred to another person or group.

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