

A Comprehensive Study on Knowledge Management in Enhancing Organisational Performance and Competitive Advantage

Ravroop Kaur*, Komalpreet Kaur

Student, Management, GNA University, Punjab, India

ARTICLE INFO

*Correspondence:

ravroopk4@gmail.com
*Student, Management,
GNA University, Punjab,
India*

Dates:

*Received: 20-03-2026
Accepted: 25-05-2026
Published: 30-06-2026*

Keywords:

*knowledge
Management,
Organisational
Performance,
Competitive Advantage*

How to Cite:

*Kaur, R., Kaur, K. (2026)
A Comprehensive
Study on Knowledge
Management
in Enhancing
Organisational
Performance and
Competitive Advantage.
DME Journal of
Management, 7(1),
59-67.
doi: 10.53361/dmejm.
v7i01.06*

Abstract

This study focuses on understanding the advantages of knowledge management in organizations. It relates and links various research studies to describe how knowledge is created, shared and used in companies. The review shows that knowledge management helps to improve decision-making, innovation and overall performance of an organisation. It also highlights that both technology and employee involvement are important for effective knowledge management. The organizations that manage knowledge properly can perform better and stay competitive. The study also identifies some gaps in existing research and suggests areas for future improvement.

INTRODUCTION

In today's dynamic and knowledge-driven world organizations have identified that their most valuable asset is not any physical capital but knowledge. The systematic process of managing this knowledge is called as Knowledge Management (KM). It has emerged as a crucial component for enhancing and improving the organizational performance, innovation and competitiveness in the market. KM involves the processes of creating, capturing, sharing and effectively utilizing knowledge to achieve organizational objectives in long run.

Early conceptualizations of Knowledge management were powerfully influenced by the work of Peter Drucker, who emphasized the rise of the "knowledge worker". Afterwards, scholars like Ikujiro Nonaka and Hirotaka Takeuchi modernised the theoretical frameworks like the SECI (Socialization, Externalization, Combination, Internalization) model. This model explains how tacit and explicit knowledge interrelate to create new organizational knowledge. These theories emphasize that KM is not just a technological solution but a socio-cultural process entrenched within organizational routines and practices.

The importance of KM is driven by globalization, speedy technological advancements and increased market competition. Organizations must adapt with the changing environments. On one side, technology facilitates helps in the

development of knowledge, repositories, databases and collaborative tools that helps in improving the accessibility of knowledge. On another side, various human factors like the culture of organisation, the leadership strategies and employee engagement also plays a crucial role. They ensure that the knowledge is effectively utilised in the organisation by employees. This dual perspective shows the role of aligning the technology with the human or behavioural elements.

The literature review shows various studies on knowledge management that focuses on innovation performance and competitive advantage. It also connects the key variables, frameworks, findings that mainly highlights the relationship among them. The review also identifies and analyses the gaps in organisational learning, technological systems and innovation gaps that need that need for a holistic approach that should consider overall factors whether internal or external. Overall, this study examines a deeper understanding of KM and advantages of KM by synthesising the diverse perspectives and providing various insights to organisations that how they can strategically manage knowledge so that they can achieve the long-term success.

RESEARCH METHODOLOGY

The methodology used for the research paper is based on secondary information. The data is collected from journals, books, research papers, and websites and databases such as Google Scholar, Web of Science and Scopus.

The initial search yielded 30-40 studies. A total of 20 relevant papers were selected after evaluating them on various basis (relevance, methodology, keywords).

The studies are published between 1996 and 2022, peer- reviewed journal articles and papers were included. Conference abstracts and non-English articles were excluded.

The main objective is to analyse, compare and synthesize findings from multiple research papers to understand the interrelations between key KM variables and organizational results.

A linkage or relationship-based method has

been used to identify and analyse the literature. This method helps in identifying patterns, similarities, differences and research gaps across various studies.

The study focuses on

- Identifying the relationships between independent, dependent and mediating variables.
- Comparing the theoretical frameworks and methodologies.
- Highlighting different gaps and limitations in existing researches.

Key aspects covered in review

- Knowledge management
- Knowledge creation
- Knowledge acquisition
- Knowledge storage
- Knowledge sharing
- Knowledge transfer
- Knowledge application
- Organizational learning
- Innovation
- Intellectual Capital
- Leadership & Culture
- Technology
- Decision-Making
- Competitive Advantage
- Strategic performance
- Organisation Culture
- Employee Engagement

LITERATURE REVIEW

G. Cepeda-Carrion et al. (2006) all in their paper competitive advantage of knowledge management explains that KM is a fundamental strategic process. It is also a source of sustainable competitive advantage. It helps in integrating knowledge creation and application into strategy (IGI global). The paper shows that how managing knowledge is very important for a company if they want to succeed in an organisation for long run. When a company is good at managing knowledge then it becomes hard for the competitors to copy them.

The study also shows that different organisations have different ways for managing, understanding and applying knowledge. On the other hand, some organisations lack behind due to improper management of knowledge.

In contrast, O.R. Mahdi et.al extends its thinking and perspective on the role of knowledge integration and organisational learning to stay ahead of their competitors. Cepeda adopts structural and oriented approach and Mahdi introduces a behavioural dimension that mainly focuses on the learning culture and employs participation in organisational learning. The linkage between these two studies is a key intangible resource –when both of the studies are combined, they help in demonstrating and finding that KM processes (independent variable) influence competitive advantage that is dependent variable.

O.R. Mahdi et.al focuses on organizational learning as a key driver of effective knowledge utilization, whereas L.A. Halawiy et.al in their paper- “Resource-Based View of Knowledge Management for Competitive Advantage” shifts attention toward technological infrastructure- mainly information systems. They think that knowledge information systems play an important role of facilitator. They also argue that digital platforms enhance knowledge sharing, accessibility, and decision-making efficiency that helps in improving organizational competitiveness. The connection between these studies lies in their balancing perspectives. Mahdi emphasizes human and cultural aspects while Halawiy focuses on technological factors. Together, they recommend that KM effectiveness depends on the proper arrangement or balance between human capital and technological capability.

The key variables across both studies include organizational learning, IT infrastructure, and knowledge sharing (contributing to innovation and performance outcomes). It mainly highlights the importance of information technology in enhancing knowledge management processes. It is in the terms of storage, retrieval and dissemination of knowledge. Alihar Rahimli (2012) expands the discussion by focusing on innovation consequences as an outcome of effective KM practices. It argues that organizations leveraging knowledge effectively are more capable

of generating innovative products and services. It is a conceptual framework that positions knowledge management as a key to competitive advantage from RBV perspective (scholarly commons) and it shows that knowledge is a strategic RBV asset- rare, valuable and hard to imitate. Alihar, in his paper – “knowledge management and competitive advantage” discusses how knowledge management processes and manager knowledge decisions contribute to competitive advantage. It finds that knowledge creation, distribution and utilisation is linked with the organisational processes that overall supports sustainable competitive advantage.

The relation between these papers is evident in the evolution from KM enablers (technology) to KM results (innovation). One considers IT systems as a critical independent variable and other considers innovation performance as the dependent variable inclined by KM practices. Both studies align in suggesting that knowledge sharing and availability are crucial drivers of innovation.

Alihar Rahimli (2012) highlights innovation as a consequence of effective knowledge management. It also positions Knowledge management as a driver of creativity and new product development. Punrapha et.al investigates the role of knowledge sharing culture and leadership support in improving Knowledge management effectiveness. It also shows leadership obligation as a critical factor influencing employee engagement in knowledge processes.

The linkage between these studies lies in their focus on organizational outcomes (particularly innovation and performance). While Alihar views KM as a practical process leading to innovation, Punrapha et.al presents leadership and organizational culture as moderating variables that influence KM success. A likeness in both papers is that both studies identify knowledge sharing as a central variable. However, Punrapha provides deeper insight into the social and managerial issues affecting it. The gap identified is that Alihar does not consider leadership influence while Punrapha does not empirically measure innovation outcomes in depth.

Together, these studies suggest that achieving sustainable competitive advantage requires not only robust KM systems but also strong leadership and



a supportive organizational culture. This integrated approach enhances both knowledge utilization and innovation capabilities.

The study shows internal and external knowledge and how it's influenced the knowledge management. It impacts this positive in nature, knowledge management and innovation management. Both positively contribute to organisational performance. The innovative management helps in mediating the relationship between knowledge management and performance. The study also provides empirical evidences that knowledge management and innovative management uh contributes in SMEs.

Ingi R. Edvardsson (2013) in his paper- "The benefits of Knowledge management in Small and Medium Enterprises" summarizes the existing researches on knowledge management outcomes in showing the positive impacts on several performance dimensions. KM provides benefits in employee development, innovation customer satisfaction and as well as in overall organisational success. The integration of talent management principles can help in advancing the knowledge management concerns such as identifying knowledge workers, knowledge creation sharing competencies and retaining knowledge in an organisation all these are the main KM concerns and with the integration of talent management principles they can be advanced. Moreover, the paper argues that talent management helps in enhancing KM effectiveness by improving and retaining the key knowledge through people practices.

Knowledge management in public sector (2006) identifies the core issues and frameworks that we use in applying the knowledge management in public policy and government it also shows the role of stakeholder partnerships for an effective KM. It highlights the role of IT and technological tools that help in knowledge management processes it explains the strategies for integrating the knowledge management systems and solutions and how they help in supporting the knowledge processes.

The review of empirical research on knowledge management paper provides an overview of empirical knowledge management research that identifies the drifts and procedural gaps to guide the future research. It reviews the empirical studies in

knowledge management and overall performance including the innovation.

The linkage between the two studies lies in the interaction between cultural support and knowledge processes. Leadership and culture create an environment that facilitates knowledge acquisition and creation, ultimately contributing to organizational performance and innovation (dependent variables). Together, they demonstrate that KM effectiveness is not only dependent on processes but also on the organizational context in which these processes operate.

Eion Whelan and Marian Carcary (2011) emphasizes that knowledge sharing and knowledge transfer, both are critical mechanisms for improving the efficiency of organisation. They also contribute in organisational collaboration. It also argues that the true value of knowledge lies in its utilisation. It depends on how we use the knowledge to uh in the operational activities and decision making. The key variables used in the studies include knowledge sharing, knowledge transfer knowledge applications that collaboratively help in influencing organisational performance and innovative results. The connection also shows that knowledge management not only depends on sharing knowledge but it also helps in ensuring the practical application. All the organisations must develop systems like training decisions, support systems and performance-based incentives so that the gap between knowledge transfer and utilisation can be bridged. Overall, it will help in enhancing and improving their ability to sustain in the competitive advantage.

Maryam Alavi, & Dorothy E. Leidner (2001) in their review- "Knowledge management and knowledge management systems" examines the acquisition of knowledge and knowledge creation. These two are the essential components for developing the organisational competencies. The Paper builds on this foundation and they examine the knowledge sharing and knowledge transfer systems. The relationship among these studies lies in the flow of knowledge processes. It focuses on the acquisition of knowledge and on the paper emphasizes or focuses on the distribution and application of knowledge. When combined together they show a complete knowledge cycle. Where the first step

is knowledge acquisition that is the input variable. Second is knowledge sharing and transfer. That is the process variable. Then the third is influencing organisational performance. That are the output variables. There is a similarity in the research papers that is they their focus is on knowledge as a strategic resource.

The key difference in their researches is that one is creation centric and the other is dissemination centric. The relationship among these shows that organisation should ensure proper coordination between knowledge creation and transfer processes. If the knowledge sharing mechanisms are ineffective or the knowledge created is underutilised it can be a threat to organisation.

A.J. Flanagan (2002) in the paper- "The Elusive Benefits of the Technological Support" focuses on knowledge application as a key determinant for organisational effectiveness. It also plays an important role in improving the decision making. On the other hand, Andreas Riege and Nicholas Lindsay (2006) discusses on introducing the concept of organisational performance measurement and linking knowledge management practices to tangible results such as productivity, innovation and the financial performances there is a cause-and-effect relationship between knowledge application and performance results. Both studies show the role of converting the knowledge into the achievable results. By the integration of qualitative and quantitative metrics, firms can better assess how knowledge application contributes to sustainable competitive advantage and long-term organisational success.

It argues that innovation acts as an intermediate process through which KM effects competitive advantage. The key variables include KM practices, innovation and competitive advantage. An important gap identified is the incomplete exploration of how different types of innovation (incremental vs. radical) influence this relationship. This relationship shows the importance of innovation as a bridge between knowledge management and competitive advantage. Organizations should not only manage knowledge effectively but they should also drive it to drive innovation, ensuring long-term sustainability and market competitiveness. It also focuses on

intellectual capital human structural and relational capital all these as the key components that influences knowledge management effectiveness. The studies also show the integration of intangible assets and innovation processes.

Yogesh Malhotra (2005) in "Integrating km technologies in real time enterprises" focuses on intellectual capital that comprises of human structural as well as relational capital. It uh shows these as uh critical resource that shows effective knowledge management. It also argues that organisations can use intellectual capital to enhance knowledge creation and innovation abilities. The another extent this as the discussion by focusing on knowledge retention particularly the preservation of knowledge within the organisations to avoid any loss that is caused due to employed turnover or any change that occurs in organisation.

The relationship between these studies lies in the continuity of knowledge resources. It identifies that the various sources of knowledge and the another shows the challenge of retaining the knowledge over a period of time because creating knowledge is easy for an organisation but retaining it for a long period of time is difficult. It is cost uh due to employee turnover or any change in the organisation. The main variables include intellectual capital knowledge, retention practices and the overall organisational performance. Also, the linkage shows that organisations or companies should not only develop intellectual capital but they should also improve their retention systems to capture valuable knowledge ensuring a long-term sustainability.

G.S.R Krishna (2020) gives various tools or mechanisms like databases, document, management systems and repositories to achieve the objectives. The variables include knowledge retention knowledge storage systems and organisational efficiency. It also focuses on knowledge retention as a key knowledge management function. It emphasises the need to preserve the knowledge for future usage and builds this by examining the repositories and databases.

Further, it highlights the importance of knowledge repositories and the information systems that help in storing, organising storing and organising knowledge so that knowledge is



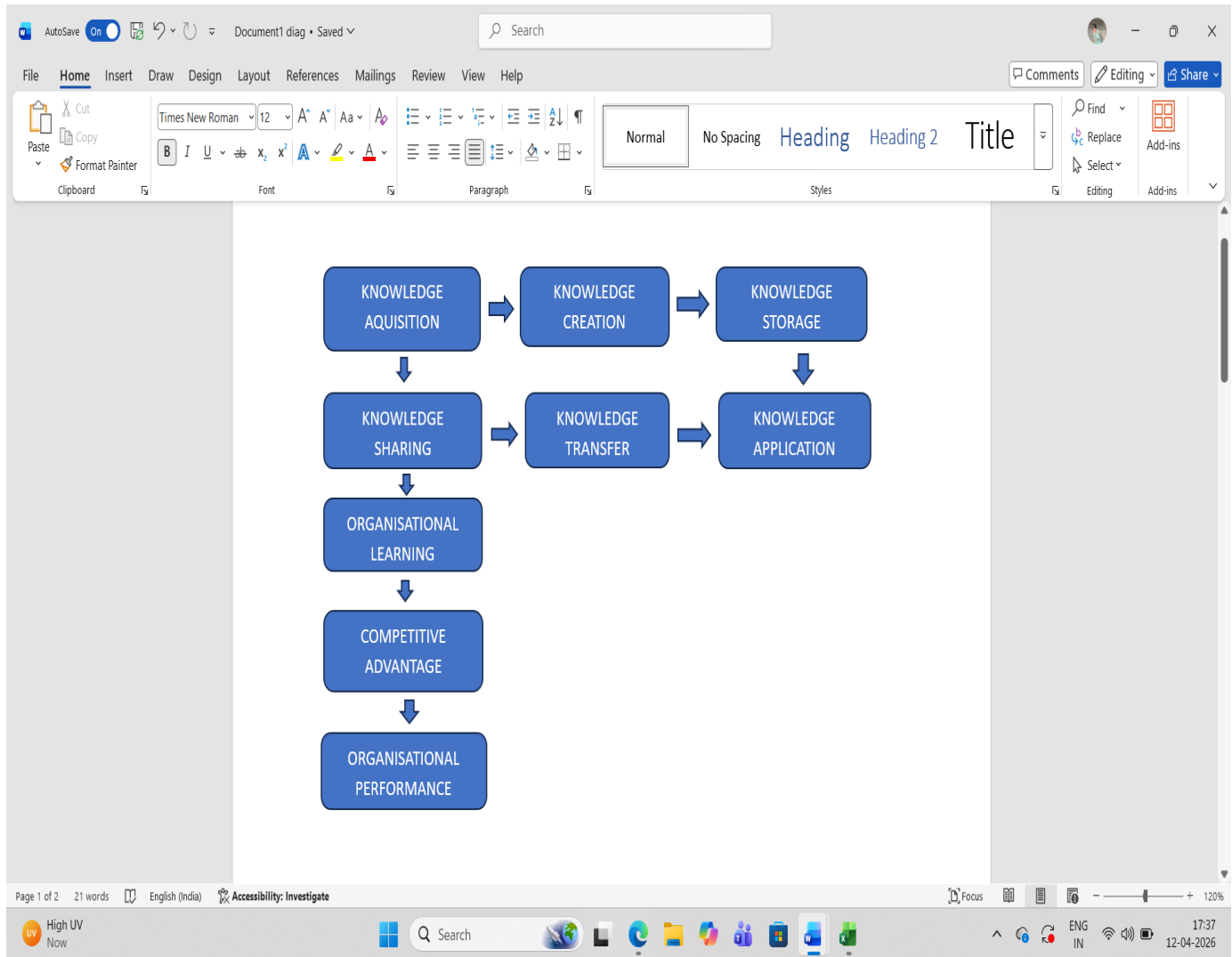


Figure 1: Knowledge management and organisational performance

accessible. A.R(2020) extends this perspective by emphasising on the various knowledge sharing platforms, knowledge management solutions and collaborative tools that help in interaction and communication among the employees of organisation. Paper fourteen also focuses on the dissemination and collaborative use of the knowledge. The key variables include knowledge storage systems collaboration tools and knowledge sharing effectiveness. The relationship among these shows that the organisation should align their knowledge solution systems with the platforms to ensure the flow of knowledge. When we integrate repositories with communication tools, companies can enhance the knowledge accessibility and improve collaboration. This will lead to strengthen

their competitive advantage.

Di Vaio, A., Palladino, R., Pezzi, A., & Kalisz, D. E. (2021) studies on Knowledge sharing and its impact on the organisational learning. It highlights the role of knowledge sharing in the continuous improvement and innovation of organisation but it does not properly link the learning outcomes to decision making processes. It ensures the availability of high-quality knowledge. The discussion focuses on decision making processes. It also argues that the effective knowledge management improves the quality as well as speed of the managerial decisions. The relationship between these studies is based on learning to decision making. Organisational learning is independent variable. Decision making quality is dependent variable. That improves and

the organisational goals. (both studies show the role of knowledge usage in achieving organisational effectiveness). The relationship among these serves as a foundation for effective decision making. When we foster a learning culture and ensure proper knowledge accessibility the companies can achieve the strategic goals by focusing on its operational decisions also.

It also discusses that by using knowledge sharing platforms and collaborative tools the interaction and communication among the employees improves. It mainly focuses on knowledge sharing and storage the key variables are knowledge storage system collaboration tools and knowledge sharing effectiveness. It focuses on the results in the terms of skill development learning and the improvement in the process of knowledge management the knowledge sharing tools are independent variables learning processes are mediator and organisational performance is dependent variable. (But it misses out on how stored knowledge is actually shared).

K. V. et al. (2006) examines the implication of knowledge management in enhancing decision-making processes. It also highlights the influence on organizational efficiency and effectiveness. It explores strategic management and the role of KM in facilitating long-term planning and competitive positioning. The relationship between these studies is evident in the progression of managing knowledge from operational decision-making to strategic decision-making. While K. V et.al focusses on short-term, operational decisions, Alavi focuses on long-term strategic results. The primary variables involved are KM practices, decision-making quality and strategic performance.

CONCEPTUAL FRAMEWORK

Research Gaps

By analysing these various types of studies several important research gaps have been identified in the field of knowledge management. The existing literature provides a theoretical support but there are many areas that need deeper research and exploration. Figure 1 illustrates the conceptual framework of the relationship between knowledge

management and organizational performance.

One of the major gaps is the lack of empirical evidence that is regarding the impact of learning culture on knowledge management effectiveness. Many studies shows that organisational learning helps in improving the knowledge management results. But they do not clearly represent that how this relationship can be measured in practical world. For example, if a company is promoting learning culture but it is not sure about the measurement tools. It will become difficult to evaluate that whether it is actually improving the performance or not.

Another issue is the lack of integration between human factors and technological factors. Some studies focus on organisational culture and employ behaviour. On the other hand, company other companies focus on IT systems and digital solutions. However, in real life situations both are equally important like if a company has uh advanced and modernised knowledge solutions or knowledge softwares but the employees are not willing to use it then it will not be beneficial. This shows the need for a sociotechnical approach.

One of another gaps is related to the knowledge creation and knowledge processes. Some studies emphasize on a structured knowledge management process while others show cultural aspects. But there are very few studies that shows a combined approach. There is also insufficient research on the barriers between knowledge transfer and its actual application. In organisations in real life practical world there are many barriers between knowledge transfers and its application that are not discussed properly. For example, employees may attend the training sessions but they fail to apply what they learned in real work situations. also, the role of different types of innovation incremental versus radical has not been clearly examined

Finally, there is a lack between the knowledge storage and knowledge sharing systems. Many organisations invest heavily in databases and depositories for the storage of knowledge but they do not ensure that the knowledge is actively shared and used. For example, the important documents may be stored in the system but the employees do not use them because they are not aware of them or they find difficult to assess them.



FUTURE RESEARCH DIRECTIONS

Despite the extensive study in the field of knowledge management, several gaps remain that provide opportunities for future studies. One main area is the integration of human and technological dimensions of Knowledge management. While many studies emphasis either on organizational culture or IT systems, there is inadequate research that explores their combined impact on KM effectiveness.

Secondly, the research is mostly done in developed countries which shows that there is a gap in understanding the applicability in developing countries. Another important direction can be the need for empirical validation of theoretical models. Many studies depend on qualitative or cross-sectional approaches. Future research can be done by mixed methods that should integrate quantitative and qualitative data which will further lead to a comprehensive understanding of knowledge management advantages.

Future researches can also discover the role of emerging technologies like artificial intelligence, big data analytics and machine learning in improving knowledge management processes. Such technologies have the potential to change and transform how knowledge is created, stored and utilized. The comparative studies across industries and regions can provide deeper understandings in the effectiveness of KM strategies.

CONCLUSION

The literature review provides a comprehensive and detailed analysis of knowledge management. It links multiple research studies and examines the interrelationship among them. It also highlights that knowledge management is a multidimensional concept. It involves various processes such as knowledge acquisition, knowledge creation knowledge storage, knowledge sharing and knowledge application. All these steps contribute to the organisational success.

The findings suggest that an effective knowledge management plays an important role in improving the organisation performance innovation and competitive advantage to stay ahead from the competitors. However, the success of knowledge

management depends on proper alignment between human technological and organisational factors. The leadership support, organisational culture and employ engagement also plays a crucial role in the effectiveness of knowledge management methods.

The literature review also identifies several research gaps mainly in the integration and implementation of knowledge management processes. These gaps can provide valuable insights for both researchers and practitioners.

Overall, the study concludes that knowledge management is a supportive function. It is also a strategic tool that helps the organisation to adapt with the changing environments as knowledge can be managed and shared from generation to generation. It helps to foster innovation and achieve the long-term sustainability. The organisations that effectively manage their knowledge are better positioned to gain a competitive edge and succeed in long run.

REFERENCES

- Rahimli, A. (2012). *Knowledge management and competitive advantage*. *Information and Knowledge Management*, 2(7), 37–43. <https://www.iiste.org/Journals/index.php/IKM/article/view/3255>
- Mahdi, O. R., Almsafir, M. K., & Yao, L. (2011). *The role of knowledge and knowledge management in sustaining competitive advantage within organizations: A review*. *African Journal of Business Management*, 5(23), 9912–9931. https://www.academia.edu/88335876/The_role_of_knowledge_and_knowledge_management_in_sustaining_competitive_advantage_within_organizations_A_review
- Veiga, P., Figueiredo, R., Ferreira, J., & Ambrósio, A. (2022). *The relationship between knowledge management and innovative management on organizational performance of SME business*. Zenodo. <https://doi.org/10.5281/zenodo.6874970>
- Inkinen, H. (2016). *Review of empirical research on knowledge management practices and firm performance*. *Procedia - Social and Behavioural Sciences*, 210, 130–137. The Factors Influencing Given Investment Choices of Individuals - ScienceDirect
- Whelan, E., & Carcary, M. (2011). *Integrating talent and knowledge management: Where are the benefits?* *Journal of Knowledge Management*, 15(4), 675–687. Integrating talent and knowledge management: where are the benefits? | Journal of Knowledge Management | Emerald Publishing

- Cong, X., & Pandya, K. V. (2006). *Knowledge management in the public sector: A study of the critical success factors*. *Journal of Knowledge Management*, 10(3), 24–39. Knowledge management in the public sector: stakeholder partnerships in the public policy development | *Journal of Knowledge Management* | Emerald Publishing
- Di Vaio, A., Palladino, R., Pezzi, A., & Kalisz, D. E. (2021). *The role of digital innovation in knowledge management systems: A systematic literature review*. *Journal of Business Research*, 123, 220–231. The role of digital innovation in knowledge management systems: A systematic literature review - ScienceDirect
- Flanagin, A. J. (2002). *The elusive benefits of the technological support of knowledge management*. *Management Communication Quarterly*, 16(2), 242–248. The Elusive Benefits of the Technological Support of Knowledge Management - Andrew J. Flanagin, 2002
- Whelan, E., & Carcary, M. (2011). *Integrating talent and knowledge management: Where are the benefits?* *Journal of Knowledge Management*, 15(4), 675–687. Integrating talent and knowledge management: where are the benefits? | *Journal of Knowledge Management* | Emerald Publishing
- Krishna, G. S. R., & Kumar, A. R. (2016). *Review of empirical research on knowledge management and firm performance*. *Procedia - Social and Behavioral Sciences*, 210, 130–137. <https://www.sciencedirect.com/science/article/pii/S1877042813015085>
- Malhotra, Y. (2005). *Integrating knowledge management technologies in organizational business processes: Getting realtime enterprises to deliver real business performance*. <https://www.brint.com/km/integrating-km-technologies.pdf>
- Halawi, L. A., Aronson, J. E., & McCarthy, R. V. (2005). *Resource-based view of knowledge management for competitive advantage*. *The Electronic Journal of Knowledge Management*, 3(2), 75–86. <https://academic-publishing.org/index.php/ejkm/article/view/1008>
- Praditpong, P., Pruktara, T., & Keeree, K. (2022). *The relationship between knowledge management and innovative management on organizational performance of SME business*. <https://zenodo.org/records/6874970>
- Riege, A., & Lindsay, N. (2006). *Knowledge management in the public sector: Stakeholder partnerships in the public policy development*. *Journal of Knowledge Management*, 10(3), 24–39. <https://www.emerald.com/insight/content/doi/10.1108/13673270610670830/full/html>
- Sarwari, K. (2021). *The role and importance of knowledge management in organizations*. *Journal of Social Sciences*. <https://jss.edu.af/jss/article/view/199>
- Pandey, M., & Dewangan, S. (2019). *Knowledge management in organizations: A review of concepts and applications*. *Psychology and Education Journal*. <https://psychologyandeducation.net/pae/index.php/pae/article/view/8659>
- Durst, S., & Edvardsson, I. R. (2013). *The benefits of knowledge management in small and medium-sized enterprises*. *Procedia - Social and Behavioral Sciences*. <https://www.sciencedirect.com/science/article/pii/S1877042813015085>
- Akhavan, P., Ghjavand, S., & Abdali, R. (2012). *Knowledge sharing and its impact on knowledge creation*. *Journal of Information & Knowledge Management*. https://www.researchgate.net/publication/254458631_Knowledge_Sharing_and_its_Impact_on_Knowledge_Creation
- Robert M. Grant (1996). *Toward a knowledge-based theory of the firm*. *Strategic Management Journal*. <https://www.jstor.org/stable/2486995>
- Maryam Alavi, & Dorothy E. Leidner (2001). *Review: Knowledge management and knowledge management systems*. *MIS Quarterly*. <https://www.jstor.org/stable/3250961>

