Modelling Knowledge Management on Business Performance Through Mediating Role of Organisational Innovation Among IT Staff in Bangkok, Thailand

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ABSTRACT
This study examines the relationship between knowledge management, organisational innovation and business performance among information technology (IT) staff in Bangkok, Thailand. The online convenience sampling method was employed to collect data from 200 employees (IT staff) of companies in Bangkok, Thailand. The results show a significant positive relationship between knowledge management, organisational innovation and business performance. The findings support the knowledge management comprising knowledge acquisition, knowledge storage, knowledge sharing, and knowledge application correlates to business performance through mediating role of organisational innovation. Moreover, this research could help better understand organisations' IT staff characteristics to utilise the knowledge management model to achieve good business performance through organisational innovation.

Keywords: knowledge management, acquisition, digitalisation, organisational innovation, business performance

1. INTRODUCTION
1.1. Background of the Research
In the age of digitalisation, organisations are improving their business performance through digital technologies and knowledge management (Agrawal et al., 2021; Mahrinasari et al., 2021). Besides, in conjunction with an investigation of the impact of knowledge management on business performance, several factors such as knowledge management systems and empowering leadership have been reported to influence this relationship (Akram et al., 2019; Joshi & Chawla, 2019). Knowledge management is a process that aims to ensure the development and application of all
types of knowledge within a company to improve their ability, solve problems and contribute to the achievement and maintenance of company performance (Acosta-Prado et al., 2021). It is caused by internal and external factors that promote the formation and growth of the knowledge-intensive skills of companies. These are the procedures or features that allow the company to perform effectively by optimising the development and utilisation of available resources and capabilities (Berraies & El Abidine Syrine, 2019; Rajapathirana & Hui, 2018; Yang et al., 2018). The two fundamental types of innovation are product innovation and process innovation. Innovation can take the form of modest incremental improvements or a radical, significant shift, something fundamentally novel, or a game-changing breakthrough (Iqbal et al., 2018; Propris, 2022). In industries with short product life cycles, organisational innovation reflects a company's ability to accelerate activities and tasks to gain a competitive advantage. Companies that innovate quickly are better positioned to connect with their customers and meet their needs. Increasing market competition, technological advancements, and shorter product life cycles encourage businesses to develop quickly (Doğan & Doğan, 2020). The key indicator of organisational innovation reflects the freshness and creativity of new ideas, products, processes, and management. Organisational innovation means improving business quality and performance within the existing scope. If these improvements meet expectations, organisational innovation will enhance business performance (Chen et al., 2018; Li et al., 2020). Therefore, the relationship between knowledge management (acquisition, storage, sharing, and application), organisational innovation, and business performance is essential to explore.

1.2. Problem Statement
Digital technologies open new avenues for collaboration and virtual collaboration between remote teams. They are found to improve organisational effectiveness in general (Colbert et al., 2016). Furthermore, inboard organisations implement digital workspaces in response to the epidemic, particularly in developing countries. The acquisition, distribution, and responsiveness to knowledge significantly impact an organisation's ability to produce innovative outputs (Costa & Monteiro, 2016; Lambrou, 2016; Nguyen & Pham, 2017; Yousaf & Ali, 2018). Knowledge is the most strategically valuable resource for a company, especially in dynamically competitive market conditions. When a company has the unique resources required to gain a competitive advantage in a relatively stable market, the value of these resources may depreciate, and they are less likely to serve as a basis for competitive advantage. Besides, accepting the role of knowledge management (acquisition, storage, sharing, and application of knowledge) in driving innovation ensures competitive advantage (Barker, 2018; Keszey, 2018; Oktari et al., 2020). Many studies confirmed the relationship between knowledge management and business performance (Heisig et al., 2016; Latilla et al., 2018; Zaim et al., 2019). However, few studies identify the mediating effect of organisational innovation between knowledge management and business performance. This study explores the relationship between knowledge management (acquisition, storage, sharing, and application), organisational innovation, and business performance. It may aid business owners and managers in better understanding the characteristics of digital organisations to improve their business performance through knowledge management and organisational innovation to achieve business objectives and goals. As a result, high business performance will incur.

1.3. Research Objective
The research investigates the relationship between knowledge management, organisational innovation and business performance among IT Staff in Bangkok, Thailand.
1.4. Research Question
Is there any relationship between knowledge management, organisational innovation and business performance, and how?

2. LITERATURE REVIEW
2.1. PLS-SEM in Data Analytics
The empirical validation of theoretical notions in social science and business research has been revolutionised due to the advent of multivariate analysis tools. Besides, many studies confirmed the utility of PLS-SEM as a promising tool to estimate a complex, hierarchical model in the domain of significant data analytics quality (Papadopoulos et al., 2017). In structural equation modelling (SEM), a potent tool for estimating conceptual models linking two or more latent constructs has evolved. The applicability of partial least square structural equation modelling (PLS-SEM) in evaluating a complicated model is illustrated using the philosophy of authenticity and the methodology of modelling assumptions (Akter et al., 2017; Hair et al., 2020). PLS-SEM is a promising approach for estimating a complicated, hierarchical model in the domain of data analytics quality (Akter et al., 2017). As a result, PLS-SEM enables the merging of explanation and prediction perspectives in the model estimate, a significant concern in most business and social science research and many other domains (Hair et al., 2019).

2.2. Business Performance
Business performance was defined as the operational ability to satisfy the desires of the company's major shareholders and its own survival needs. Also, it must be evaluated to assess an organisation's success. Several elements enhance business performance, such as knowledge management (Masa'deh et al., 2015; Udriyah et al., 2019). Organisational structures and business enterprises have grown and prominence over the last four generations. Because of their very nature, they had been subjected to significant changes in their environment (Tong-On et al., 2021). The premise that an organisation is a voluntary alliance of productive assets, such as human, physical, and financial resources, working together to achieve a common objective underpins organisational effectiveness. (Kusi et al. 2020). The organisation outcomes can be compared to determine business performance. An organisation's efficacy is a significant determinant of its success. A set of financial and non-financial indicators that can be used to judge if a company's aims and objectives were reached successfully is referred to as business performance (Berberoglu, 2018; Kaewnaknaew et al., 2022; Kusi et al., 2020). Besides, to achieve a business goal, organisational success depends on tangible resources and intangible resources such as good knowledge management (Abualoush et al., 2018). Therefore, business performance is considered in this study.

2.3. Organisational Innovation
Innovation was defined as any novel product, service, or manufacturing process that differs significantly from a prior product, service, or manufacturing process architecture (McKinley et al., 2014). Innovation is the result of recombining previously existing conceptual and physical resources. The primary goal of innovation-driven businesses is to restructure existing knowledge assets and resources while also seeking out new information (Kale et al., 2019). Innovation is a knowledge-intensive business activity since it necessitates the firm's ongoing renewal of knowledge and the combination of current knowledge assets to generate new information (Gifford et al., 2021). Product innovation, process innovation, marketing innovation, technological and non-technological innovation are the elements of organisational innovation (Dereli, 2015). Organisational innovation has been recognised as a related outcome of knowledge management.
Organisational innovation is utilised by businesses to achieve business goals such as operational efficiency, quality control, learning, product and process innovation, and market development. Organisational innovation is an essential strategic means of improving business performance. As a result, it is critical to concentrate on the decision-makers ability, technology, resources, and a positive work environment to enhance innovation in a company (Al-Bahussin & El-Garaihy, 2013; Arranz et al., 2019). Therefore, organisational innovation is considered in this study.

2.4. Knowledge Management
Knowledge is a source of competitive advantage (Que et al., 2018). Knowledge management was defined as a collaborative and integrated method that enables an organisation to generate, capture, organise, access, and utilise intellectual assets for long-term sustainability and strategic advantage (Liu et al., 2018; Martins et al., 2019). Moreover, knowledge management capabilities refer to a company's methods to acquire and apply knowledge (Que et al., 2018). Knowledge acquisition, knowledge storage, knowledge sharing, knowledge application are four critical aspects of knowledge management processes (Almansoori et al., 2021). Knowledge acquisition is the first step in the knowledge management process. Knowledge acquisition ability helps organisations detect the external world more rapidly in a dynamic context. It also allows them to extend the breadth and depth of available knowledge, improving their technical abilities (Božič & Dimovski, 2019). Knowledge storage was defined as procedures and systems for storing and managing information. These are frequently IT-based systems that aid in the storage and retrieval of operational knowledge (Ode & Ayavoo, 2020). Knowledge sharing can be considered as valuable input for innovation. It is self-evident that a company's ability to transform and use information influences its level of innovation, such as new problem-solving techniques and new products in response to market demand (Ben Arfi et al., 2018; Yang et al., 2018). Knowledge application was defined as processes within organisations that enable organisations to use and leverage knowledge to improve operations, develop new products, and generate new knowledge assets (Ode & Ayavoo, 2020). The practical knowledge application helps businesses strengthen their expertise while also lowering costs. Decision-making protection, action, and problem-solving applications are examples of knowledge applications (Hannola et al., 2018). As a result, a cycle of knowledge management continues because knowledge must be acquired, stored, shared, and applied to support the processes that organisations use to generate know-how and create sustainable products due to the practical application of knowledge (Awan et al., 2021). The impact of knowledge management on management decisions to support and provide insight into how knowledge workers can contribute to better results, effectiveness should be evaluated (Centobelli et al., 2018). However, organisations must seek out knowledge that can add value. This combination could be crucial, but first, it's necessary to figure out how markets react to the presence of matter. These factors can be used as a knowledge management road map (Carneiro, 2000; Iqbal et al., 2018). The organisations that perform well incorporate all significant sources of information into the product innovation process and aggressively support the entire knowledge generation and management process (Gürlek & Çemberci, 2020). Therefore, knowledge management in this study comprises knowledge acquisition, knowledge storage, knowledge sharing, and knowledge application.

2.5. Research Hypotheses Development
2.5.1. The Relationship Between Knowledge Management and Organisational Innovation
Inkinen et al. (2015) investigated the relationship between knowledge management and innovation in Finland. Knowledge management and organisational innovation were related. Mardani et al. (2018) supported an association between knowledge management and organisational innovation. Ashok et al. (2016) also confirmed the relationship between process innovation and knowledge management investments. Moreover, Obeidat et al. (2016) investigated the impact of knowledge management processes (knowledge acquisition, sharing, and utilisation) and knowledge management approaches (social network, codification, and personalisation) on innovation in Jordanian consulting companies. Knowledge management processes had a significant and positive impact on innovation in Jordanian consulting companies. Also, Donate and de Pablo (2015) investigated the role of a particular type of organisational leadership – knowledge-oriented leadership – in knowledge management initiatives aiming for innovation. The practices of knowledge management themselves were essential for organisational innovation (Donate & de Pablo, 2015). Therefore, there is a relationship between knowledge management and organisational innovation.

**H1: Knowledge management significantly influences organisational innovation.**

### 2.5.2. The Relationship Between Knowledge Management and Business Performance

Alaarj et al. (2016) investigated the effects of knowledge management processes and infrastructures on organisational performance. Knowledge sharing had the most significant impact on organisational performance, followed by knowledge utilisation and knowledge acquisition, respectively. Furthermore, Muthuveloo et al. (2017) investigated the effect of implicit knowledge management on organisational performance. Tacit knowledge management had a significant impact on organisational performance. Knowledge creation, sharing, and retention should be prioritised to improve business performance (Muthuveloo et al., 2017). Moreover, Sánchez et al. (2015) and Koohang et al. (2017) supported that knowledge management strategies positively influenced business performance. Therefore, there is a relationship between knowledge management and business performance.

**H2: Knowledge management significantly influences business performance.**

### 2.5.3. The Relationship Between Organisational Innovation and Business Performance

Rangus and Slavec (2017) investigated the link between organisational characteristics and organisational innovation and business performance. A company's innovation had a positive impact on its business performance. Also, Rajapathirana and Hui (2018) investigated the relationship between innovation capability, innovation type, and business performance of the insurance industry in Sri Lanka and India. Companies with more excellent innovation capabilities had a significant and positive impact on business performance (Rajapathirana & Hui, 2018). Therefore, there is a relationship between organisational innovation and business performance.

**H3: Organisational Innovation significantly influences business performance.**

### 2.5.4. The Mediating Effect of Organisational Innovation Between Knowledge Management and Business Performance

Byukusenge et al. (2017) investigated the role of innovation as a moderator in the relationship between knowledge management and business performance in Rwandan SMEs. Knowledge management was a critical factor in promoting SMEs' innovation. Also, innovation completely
mediated the relationship between knowledge management and business performance. Acquired, shared, and applied knowledge resources must be used to improve the quality of products, manufacturing processes, and markets to improve business performance (Byukusenge et al., 2017). Al-Sa’di et al. (2017) investigated the impacts of knowledge management on product and process innovations, as well as operational performance. Knowledge management had significant positive effects on product and process innovations and operational performance. Furthermore, Iqbal et al. (2018) explored the connection between knowledge management, organisational performance, and intellectual capital. Knowledge management enablers significantly influenced knowledge management processes. Knowledge management processes and innovation are related to business performance (Iqbal et al., 2018). Finally, Mahmoud et al. (2016) supported that organisational innovation served as a bridge between factors and business performance. Therefore, organisational innovation is the mediator between knowledge management and business performance.

H4: Organisational innovation is a significant mediator between business performance and knowledge management.

2.6. Conceptual Framework

3. RESEARCH METHODOLOGY
3.1. Research Method
This study used closed-end questionnaires (Likert's Rating Scale) to collect data. The questionnaire items were developed by the researchers based on previous research. A reliability questionnaire was tested on 30 respondents for pre-testing. In the reliability of the measurements, the alpha coefficients of Cronbach are needed to overcome all constructs 0.70 (Hair et al., 2010). The main variables in this study were all measured using a five-point Likert Scale, with the following classifications: strongly agree with a value of 5, agree with a value of 4, neutral with a value of 3, disagree with a value of 2, and strongly disagree with a value of 1. The demographics of the
respondents were derived from the study conducted by Jandawatee et al. (2022) and Kaewnaknaew et al. (2022). The questionnaire items in knowledge management (knowledge acquisition, knowledge storage, knowledge sharing, and knowledge application), organisational innovation, business performance constructs were based on Mardani et al. (2018).

3.2. Population and Sample
The population was IT staff in Bangkok, Thailand. The sample was IT staff in Bangkok, Thailand. All were over 18 years old. According to Hair et al. (2012), the general guideline is to have a minimum of five participants per one question item (5:1). The researchers determined the sample size from 24 question items multiplied by five equal 120 required participants. Therefore, the study’s sample was 200, over a minimal sample size of 120 through convenience sampling.

3.3. Data Collection
The population was IT staff in Bangkok, Thailand. The sample was over 18 years old and had worked as the IT staff in Bangkok, Thailand. Data was collected between December 15th, 2021, to January 15th, 2022 via the self-administered online survey.

3.4. Data Analysis
The collected data were analysed using the SPSS programme Version 27 and the Partial Least Squares Structural Equation Model: PLS-SEM, ADANCO 2.3. Descriptive statistics were used to examine the demographic characteristics of the respondents (frequency and percentage). Each variable's results and questionnaire items were analysed using mean analysis and standard deviation. Cronbach's Alpha reliability coefficient was used to assess the consistency and reliability of the data. Factor loadings were calculated for testing the validity of the instrument. The reliability of the data set was determined using Cronbach's Alpha. Finally, the hypotheses were tested using PLS-SEM, ADANCO 2.3 (inferential statistic).

4. RESULTS

Table 1. Demographic Characteristics of the Respondents (n=200).

<table>
<thead>
<tr>
<th>Demographics</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>105</td>
<td>52.50%</td>
</tr>
<tr>
<td>Male</td>
<td>95</td>
<td>47.50%</td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>18-24 years old</td>
<td>4</td>
<td>2.00%</td>
</tr>
<tr>
<td>25-34 years old</td>
<td>40</td>
<td>20.00%</td>
</tr>
<tr>
<td>35-44 years old</td>
<td>99</td>
<td>49.50%</td>
</tr>
<tr>
<td>45-54 years old</td>
<td>49</td>
<td>24.50%</td>
</tr>
<tr>
<td>55 years old or over</td>
<td>8</td>
<td>4.00%</td>
</tr>
<tr>
<td><strong>Education</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Associated degree</td>
<td>8</td>
<td>4.00%</td>
</tr>
<tr>
<td>Bachelor’s degree</td>
<td>116</td>
<td>58.00%</td>
</tr>
<tr>
<td>Above Bachelor’s degree</td>
<td>76</td>
<td>38.00%</td>
</tr>
</tbody>
</table>
The researchers coded and analysed the completed two hundred (200) online questionnaires of information technology (IT) staff in Bangkok, Thailand. The results revealed that most respondents were female (52.50%), aged between 35 to 44 (49.50%), had a bachelor's degree (58.00%) and earned a monthly income between 30,000 and 50,000 baht (29.50%). The demographic profile was represented as the study's sample.

4.1. PLS-SEM Results

Table 2. Item Loadings, Cronbach’s Alpha and Average Variance Extracted (n=200).

<table>
<thead>
<tr>
<th>Monthly Income</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>10,001- 30,000 THB</td>
<td>48</td>
<td>24.00%</td>
</tr>
<tr>
<td>30,001- 50,000 THB</td>
<td>59</td>
<td>29.50%</td>
</tr>
<tr>
<td>50,001- 70,000 THB</td>
<td>37</td>
<td>18.50%</td>
</tr>
<tr>
<td>More than 70,001 THB</td>
<td>56</td>
<td>28.00%</td>
</tr>
<tr>
<td>Total</td>
<td>200</td>
<td>100%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Items</th>
<th>Factor Loadings</th>
<th>Cronbach’s Alpha</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Knowledge Management</strong></td>
<td></td>
<td>0.920</td>
<td>0.744</td>
</tr>
<tr>
<td><strong>1.1. Acquisition</strong> (Mean=4.029, SD.=0.504)</td>
<td>0.895</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. I am encouraged to find alternative solutions for my existing assignments. (Mean=4.025, SD.=0.768)</td>
<td>0.748</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. I am encouraged to identify best practice for future use. (Mean=4.015, SD.=0.648)</td>
<td>0.744</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. I am encouraged to analyse success factors to enrich my knowledge. (Mean=4.005, SD.=0.819)</td>
<td>0.896</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. I am encouraged to analyse mistakes to enrich my knowledge. (Mean=4.070, SD.=0.869)</td>
<td>0.829</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>1.2. Storage</strong> (Mean=4.121, SD.=0.411)</td>
<td>0.773</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. I know where to find knowledge when I need it. (Mean=4.285, SD.=0.426)</td>
<td>0.824</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. I know who to ask for knowledge when I need it. (Mean=4.225, SD.=0.607)</td>
<td>0.796</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Knowledge resides in my organisation's routines and procedures. (Mean=3.835, SD.=0.912)</td>
<td>0.760</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Confidential and sensitive information has restricted access. (Mean=4.140, SD.=0.845)</td>
<td>0.732</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>1.3. Sharing</strong> (Mean=3.865, SD.=0.740)</td>
<td>0.903</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. Experienced staff in my workplace are encouraged to mentor new or less experienced staff. (Mean=4.120, SD.=0.830)</td>
<td>0.837</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. My workplace encourages staff to share knowledge. (Mean=4.155, SD.=0.895)</td>
<td>0.866</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11. Knowledge sharing is a measure of employees' performance in my workplace. (Mean=3.570, SD.=1.251)</td>
<td>0.871</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12. Staff who share knowledge receive rewards and recognition in my workplace. (Mean=3.615, SD.=1.243)</td>
<td>0.787</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
1.4. Application (Mean=4.161, SD.=0.423)  
13. Existing knowledge is used to develop new knowledge. (Mean=4.160, SD.=0.617)  
14. I utilise knowledge to solve most problems that I encounter in my job. (Mean=4.075, SD.=0.753)  
15. I am encouraged to apply knowledge and experience learned from previous projects to subsequent projects. (Mean=4.230, SD.=0.670)  
16. I apply knowledge in developing new products and services. (Mean=4.180, SD.=0.550)

2. Organisation Innovation  
17. Our organisation is quick in problem-solving as compared to key competitors. (Mean=3.770, SD.=0.871)  
18. Our organisation is quick in coming up with novel ideas as compared to key competitors. (Mean=3.740, SD.=0.857)  
19. Our organisation does better in new product development as compared to key competitors. (Mean=3.780, SD.=0.765)  
20. Our organisation does better in processes improving as compared to key competitors. (Mean=3.770, SD.=0.871)

3. Business Performance  
21. Compared with key competitors, business performance is more profitable. (Mean=3.850, SD.=0.882)  
22. Compared with key competitors, business performance is more efficient in using resources. (Mean=3.810, SD.=0.808)  
23. Compared with key competitors, business performance has internal processes oriented to quality. (Mean=3.835, SD.=0.882)  
24. Compared with key competitors, business performance has more creative and innovative employees. (Mean=3.805, SD.=0.801)

Table 3. R-Squared (n=200).  

<table>
<thead>
<tr>
<th>Construct</th>
<th>Coefficient of Determination ($R^2$)</th>
<th>Adjusted $R^2$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organisational Innovation</td>
<td>0.525</td>
<td>0.522</td>
</tr>
<tr>
<td>Business Performance</td>
<td>0.735</td>
<td>0.732</td>
</tr>
</tbody>
</table>

Table 4. Effect Overview (n=200).  

<table>
<thead>
<tr>
<th>Effect</th>
<th>Beta</th>
<th>Indirect Effect</th>
<th>Total Effect</th>
<th>Cohen’s $f^2$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knowledge Management → Organisation Innovation</td>
<td>0.724</td>
<td>0.724</td>
<td>1.104</td>
<td></td>
</tr>
<tr>
<td>Knowledge Management → Business Performance</td>
<td>0.287</td>
<td>0.454</td>
<td>0.741</td>
<td>0.147</td>
</tr>
<tr>
<td>Organisation Innovation → Business Performance</td>
<td>0.627</td>
<td>0.627</td>
<td>0.704</td>
<td></td>
</tr>
</tbody>
</table>
Table 5. Total Effects Inference (n=200).

<table>
<thead>
<tr>
<th>Effect</th>
<th>Original Coefficient</th>
<th>Standard Bootstrap Results</th>
<th>Percentile Bootstrap Quantiles</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mean Value</td>
<td>Standard Error</td>
<td>T-Value</td>
</tr>
<tr>
<td>KM → OI</td>
<td>0.724</td>
<td>0.726</td>
<td>0.036</td>
</tr>
<tr>
<td>KM → BP</td>
<td>0.740</td>
<td>0.739</td>
<td>0.035</td>
</tr>
<tr>
<td>OI → BP</td>
<td>0.843</td>
<td>0.835</td>
<td>0.023</td>
</tr>
</tbody>
</table>

OI: Organisational Innovation, BP: Business Performance, KM: Knowledge Management

Knowledge management can predict organisational innovation at $\beta=0.724$, $p<0.001$ (Two tails at 0.000 and one tail at 0.000). Knowledge management can predict business performance at $\beta=0.287$, $p<0.001$ (Two tails at 0.000 and one side at 0.000). Organisational innovation can predict business performance at $\beta=0.627$, $p<0.001$ (Two tails at 0.000 and one tail at 0.000). Organisational innovation is a significant mediator between business performance and knowledge management. It can be explained by 52.5% ($R^2=0.525$). Overall, the relationship phenomenon to predict business performance can be explained by 73.5% ($R^2=0.735$).

4.2. Assumptions

Table 6. Summary of Hypothesis Testing

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Results</th>
<th>Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1: Knowledge Management → Organisational Innovation</td>
<td>$\beta=0.724$ at $p&lt;0.001$</td>
<td>Accepted</td>
</tr>
<tr>
<td>H2: Knowledge Management → Business Performance</td>
<td>$\beta=0.287$ at $p&lt;0.001$</td>
<td>Accepted</td>
</tr>
<tr>
<td>H3: Organisational Innovation → Business Performance</td>
<td>$\beta=0.627$ at $p&lt;0.001$</td>
<td>Accepted</td>
</tr>
<tr>
<td>H4: Organisational innovation is a significant mediator between knowledge management and business performance.</td>
<td>$R^2=0.525$ at $p&lt;0.001$</td>
<td>Accepted</td>
</tr>
</tbody>
</table>

Overall, the relationship phenomenon can be explained by 73.5% ($R^2=0.735$).
5. DISCUSSION AND CONCLUSION

5.1. Discussion

The study's PLS-SEM model confirmed the proposed conceptual framework. The findings indicated that organisational innovation is a significant mediator between business performance and knowledge management. The results supported the previous research of Ashok et al. (2016), Donate & de Pablo (2015), Inkinen et al. (2015), Mardani et al. (2018), Obeidat et al. (2016) that there is a relationship between knowledge management and organisational innovation. Organisational innovation is significantly influenced by knowledge management. Having well-defined knowledge management allows organisations to be more inventive. Furthermore, organisations could invent new techniques for combining cutting-edge technology with entrepreneurial dynamics, modern skills and further developing knowledge areas via constant learning and growth. The findings supported the previous research of Alaarj et al. (2016), Koohang et al. (2017), Muthuveloo et al. (2017), and Sánchez et al. (2015) that there is a relationship between knowledge management and business performance. Knowledge management significantly influences business performance. Business performance should consider financial and non-financial assessment to account for the various performance elements influenced by knowledge management strategy. The findings supported the previous research of Rajapathirana & Hui (2018) and Rangus & Slavec (2017) that there is a relationship between organisational innovation and business performance. Organisations increasingly recognise innovation as a critical enabler for increasing value creation and sustaining competitive advantage. When a company develops, manufactures, and distributes new products faster than its competitors, it can create market divisions based on service quality and operating efficiency. The quality of innovation is another critical factor influencing corporate performance. Adopting several new products, processes, or practices across a broad range of organisational operations indicates high-quality innovation. The findings supported the previous research of Al-Sa'di et al. (2017), Byukusenge et al. (2017), Iqbal et al. (2018), and Mahmoud et al. (2016) that organisational innovation is a significant mediator between knowledge management and business performance. To improve business performance, organisations should consider effective innovation techniques such as adopting a variety of new products and combining current knowledge assets and Knowledge management process methodologies.
5.2. Conclusions
The study’s findings show a significant positive relationship between knowledge management, organisational innovation and business performance. Moreover, the results support the knowledge management comprising knowledge acquisition, knowledge storage, knowledge sharing, and knowledge application correlates to business performance through mediating role of organisational innovation. The organisation could improve knowledge acquisition by encouraging employees to analyse mistakes to enrich their knowledge, improving knowledge storage by confidential and sensitive information has restricted access, and developing knowledge sharing by enhancing the workplace encourages staff to share knowledge. Also, the company could improve knowledge application through encouraging to apply knowledge and experience learned from previous projects to subsequent projects. Organisational innovation could be investigated by doing better in new product development than key competitors. Finally, business performance could be evaluated through indicators, such as the company’s profitability, when compared to key competitors. Therefore, business owners and managers should pay attention to these variables to influence effective business performance.

5.3. Research Implication
The study’s findings indicated a relationship between knowledge management (knowledge acquisition, knowledge storage, knowledge sharing and knowledge application), organisational innovation, and business performance among IT employees in Bangkok, Thailand. It may aid business owners, and managers improve business model analytics for predicting organisational success by utilising the knowledge management model. Furthermore, the outcomes of this business analytics methodology could be used to boost innovation and organisational performance in any industry. As a result, high business performance will incur. This study contributed to the existing literature on the relationship between knowledge management, organisational innovation and business performance. The findings of this study may aid academics in broadening their research by incorporating more potential elements. The questionnaire items could be used to guide future research on knowledge management, organisational innovation, and business performance.

5.4. Limitations and Recommendations
This study investigated the relationship between knowledge management, organisational innovation, and business performance among IT employees in Bangkok, Thailand. It only focused on the IT department in Bangkok. In this sense, findings could be extrapolated to an entire company, or a larger population in this sector could be explained in a future study with significantly more respondents. A sampling frame that combines organisations from various areas could provide a more comprehensive view of the subject in future studies. Also, the nature of this study is a self-administered questionnaire. Qualitative research, such as interviews and focus groups could provide more insight into future research.

REFERENCES


