ORGANIZATIONAL COMMITMENT & WORK ENGAGEMENT
AFFECTED BY KNOWLEDGE MANAGEMENT: EVIDENCE FROM
BANKING SECTOR OF PAKISTAN
Muhammad Imran Hanif, Putra Business School, University of Putra Malaysia.
Email: mimranhanif@bzu.edu.pk
Noorulain Waheed, University of Education, Lahore, Pakistan.
Email: noorulainwaheed@ue.edu.pk
Shakeel Ahmad, MS Scholar, Bahauddin Zakariya University Multan, Pakistan. Email: ahmedshakeel502@gmail.com

Abstract. The current study is intended to explore the influence of knowledge management on organizational commitment and work engagement of the banking employees. Paper examines the dimensions of knowledge management that can influence the effective elements of employee performance. Five dimensions of knowledge management practices are bootstrapped on organizational commitment and work engagement. Data collected from the different banks of Punjab, Pakistan by including 171 usable questionnaires. Data analysis was done with the help of SPSS and Smart PLS. Results reveal that knowledge sharing, codification, and retention helps in boosting organizational commitment of employees while knowledge-creating, retention, and sharing has a significant impact on work engagement. Knowledge management construct has not been discussed as a complete construct but the researchers have looked at a few of its dimensions. Moreover, KM's relationship with organizational commitment and work engagement is missing in the past literature. Results show that knowledge creation, retention, and sharing have a strong influence on organizational commitment and work engagement. Managers should implement KM processes to uplift the knowledge of workers but also to boost their commitment and work engagement.

Keywords: Knowledge management; organization commitment; work engagement.

Introduction
The plethora of research in the area of organizational commitment, work engagement, and knowledge management relationship bespeak about the critical nature of these variables and their respective importance in organizational behavior research. Researchers have continuously been
identifying gaps here. This interest of researchers and academicians is still yet to be satiated. Kianto, Vanhala and Heilman (2016) identified a gap in this area and suggested to find the relational influence of knowledge management on organizational commitment and work engagement. So, for the purpose to conduct this study this field requires extensive research, both descriptive and exploratory.

Knowledge-based perspective stresses that knowledge is a vital resource for production in any organization. It also highlighted the importance of human capital which includes knowledge, skills, competencies, attitude, and motivation of the staff members. Additionally, it emphasizes the use of these competencies for business benefits and profits (Crook, et al., 2011). There are a couple of issues that the banking sector of Pakistan is facing nowadays. One of the most important issues is the KM and how KM is influencing the affective component of employee behavior. However, as intellectual capital is tacit and it becomes difficult for the management to capture, arrange, and codify knowledge. So, it has been stated by researchers that knowledge management is related to creation, provision, energizing, and promoting the environment within an organization to encourage their employees. So, the organizations can use and share their knowledge with others for the generation of unique knowledge.

Even though ample data on work engagement and organizational commitment is available in previous literature but the second constructs are yet to be explored concerning the KM practices. Most of the research focused on the explanation of the KM construct. Mostly the studies focused on the description of the KM instead of identifying its role and importance in the context of practical implementation. Additionally, research on KM in this regard is deficient.

The most significant contribution of current research is to highlight the interrelationship of KM and organizational commitment & work engagement. The author of current research considers it to be the first research in its kind. Current research not only shrinks the gap in the literature but it provides a guiding principle for the management to enhance KM practices

**Literature Review**

Literature in this regard is lacking as only a few articles are available that found the knowledge management and organizational commitment relationship and some articles identified the work engagement and tacit knowledge transfer relationship. There exists a huge gap in the literature that must be fulfilled.
Organizational commitment

According to Mowday et al. (1979) organizational commitment is delineated as "the comparative strong point of a person's identification with, and participation in the specific company". Kelloway and Barling (2000) carried out numerous empirical studies on affective commitment precedes performance and there exists the reciprocal relationship between the two constructs. Organizational is one of the facets that reflects mutual relationship between organization and employee which affects the behaviour of the employee (Rahman, Rahman, Ali, & Khan, 2016). There is plenty of evidences that assures that there exists a direct and indirect relationship between employee and organization and it also affects the knowledge sharing behavior of employees (Smith & McKeen, 2002).

Work engagement

In the globalized business environment, work engagement has been acknowledged as a matchless asset of an organization. However, developing a promised employee cadre remains a challenge for organizations. Work engagement is defined as an assigned role, which can create engagement, which would arise when there is an indemnity that "the workforce has the empowerment to perform their task" (London, 1993). Moreover, psychologically permitting the employee (Conger & Kanungo, 1988), which engages delegating empowerment to the lower levels of hierarchy within an organization and rewarding workforce the power to affect the outcomes of an organization significantly. It boosts the sense of worth, value, and efficacy of employee (Menon, 2001).

As stated by May et al. (2004) work engagement is the inclusion of the right people at the right time in the right manner in the right decisions. Since academic inquiry on work, engagement is in the initial phase and can be confined to three approaches i.e. the role theory, the burnout attitude (Nimon & Shuck, 2019; Schaufeli et al., 2002) and social exchange approach (Saks, 2006). In line with "role theory," work engagement could be defined as the psychological presence during role performance (Soares & Mosquera, 2019). While Schaufeli et al. (2002) suggest that work engagement and burnout are opposite constructs and elaborated the former as a positive and gratifying attitude that comprises of vigor, devotion, and absorption. Moreover, social exchange theory advocated that engagement is the exchange benefit that employees deliver against economic and socio-economic rewards they receive (Saks, 2006).
Formerly burnout was of primary interest for the researchers instead of engagement. Burnout a condition of emotional collapse, depersonalization, and worthlessness that occur to employees that are engaged in dealing with people (Iwanicki, 1981). Prior studies consider job burnout and engagement as two extremes.

Based on this concept, the job-person fit model proposes six factors that can affect burnout and engagement are: workload, control, reward, community, fairness, and values. In line with this concept, employees would feel burnout when there is work overload, low remunerations, lack of control, low teamwork, unfairness, and cultural conflicts or else employees would be in the state of work engagement (Nimon & Shuck, 2019). Similarly, Schaufeli et al. (2002) criticized the job-person fit model and advocates that engagement and burnout are not contrasting terminologies and these terms are completely independent of each other. Unlike burnout, engagement is an optimistic state of mind that can encourage the workforce to work more efficiently. Usually, engaged employees have better abilities to acquire new information, are more eager to try new things, and inclined to actively transform the work environment to keep engagement (Bakker, 2011).

Knowledge Management Practices

Knowledge management

KM is elaborated as classifying and leveraging the combined knowledge of an organization in a way to compete globally (von Krogh, 1998). Typically, KM comprised of knowledge progressions (including knowledge creation, sharing, acquisition, transfer, and application) along with organizational structures, competencies, and management actions that back and boost the knowledge processes (Lee and Choi, 2003). KM literature comprised of enormous practices such as knowledge creation, incorporation, and dissemination (Nonaka & Takeuchi, 1995). Similarly, according to Demarest (1997) knowledge construction, embodiment, dissemination, and use are considered as KM processes. Concluding these views in the current study there are five categories of KM processes i.e. knowledge acquisition, knowledge sharing, knowledge creation, knowledge codification, and knowledge retention

Knowledge acquisition

Knowledge acquisition defined as organizational activities that lead to assembling information through extra-organizational sources (Darroch, 2005). Peripheral networks and cooperative activities are a vital means of knowledge for all forms of organization. If organizations want to gain a competitive edge than the best possible source of knowledge are customers. We can say that knowledge acquisition has several characteristics which include data mining,
business intelligence, partner collaboration, customer feedback mechanism, and research institutes. Tacit data deep-rooted in human competences and can only be transferred through social collaboration. Though certain tacit knowledge may be coded and will be preserved as tacit and the only means to transfer it is through direct interaction (Nonaka & Takeuchi, 1995).

**Knowledge sharing**

Crucial to managing tacit knowledge is knowledge sharing. The reason behind organizations should always promote recurring face-to-face interaction and the conception of mutual learning experiences, along with building a knowledge-sharing culture (Dalkir, 2005). Mentoring, coaching, brainstorming and informal communication could be a possible source of knowledge sharing techniques (Filius et al., 2000)

**Knowledge creation**

Knowledge creation involves the organization's potential to generate innovative and handy ideas and way out concerning numerous features of organizational actions, ranging from production and high-tech progressions to managerial functions (Shujahat et al., 2019). Knowledge creation is a crucial aspect of aiding continuous performance in uncertain conditions (Eisenhardt & Martin, 2000). Knowledge is generated when an organization and its members acquire learning and innovate. Knowledge-building organizations positioned themselves for the growth of potential and self-exceeding knowledge to nurture profoundly new visions and stimulate novelty and idea expansion at all hierarchical levels. To allow for the re-use and incorporation of knowledge, its codification and storage are also important.

**Knowledge codification**

It can be delineated as the activities required for the codification of tacit knowledge and to convert in explicit knowledge, to save in documented form, and further disseminates it to others (Filius et al., 2000). It depends on the proper availability of communication channels and efficient tools of information technology along with skilled and motivated employees who are willing to use, codify, store in organizations database for further use.

**Knowledge retention**

It refers to undertakings associated with retaining the expert power and reducing the employee turnover ratio. Knowledge retention appears to be a challenge in the current scenario as employees quit the organization due to certain reasons resulting in the absence of expert power. Moreover, the
retirement of baby boomers happens to be a dramatic cause of loss of intellectual retention.

**Organizational Commitment and Knowledge Management**

According to Golden and Raghuram (2010), the impact of commitment on knowledge sharing is dependent on the use of electronic tools. There have been numerous pieces of evidence both direct and indirect that indicate that the relationship between employee and organization affects the knowledge sharing behavior of employees (Hislop, 2002). In addition to this Jarvenpaa and Staples (2001) argued that more commitment may produce views that the organization has the privilege to the information and knowledge one has created or acquired. So, in line with these findings following hypothesis are proposed:

**H1:** Knowledge acquisition will be positively associated with organizational commitment.

**H2:** Knowledge sharing will be positively associated with organizational commitment.

**H3:** Knowledge creation will be positively associated with organizational commitment.

**H4:** Knowledge codification will be positively associated with organizational commitment.

**H5:** Knowledge retention will be positively associated with organizational commitment.

**Work Engagement and Knowledge Management**

Hendriks, et al. (2016) elaborated, grounded on the concept of knowledge-based review, that inception of knowledge management (i.e. creation, access, transfer, and application is applied in all disciplines as its critically important for the building employee engagement and enhancing organizational performance.

In line with these Kodden and Groenveld (2019) checked the relationship between knowledge management and logistics operations. The findings suggest that the elevated rate of knowledge responsiveness results in quicker retort application, which elevated the likelihood to meet the targets and also has a positive impact on employee engagement. So, it's the need of the hour to implement a knowledge management system as it enhances the learning capabilities of groups and employees (Abubakar, et al., 2019). Thus, the following propositions are assumed in light with previous literature:
H6: Knowledge acquisition will be positively associated with work engagement.

H7. Knowledge sharing will be positively associated with work engagement.

H8. Knowledge creation will be positively associated with work engagement.

H9. Knowledge codification will be positively associated with work engagement.

H10. Knowledge retention will be positively associated with work engagement.

Methods

Sample and data collection

The participants consisted of employees from the public and private sector banks of Pakistan. Initially, 200 questionnaires were distributed but 171 were usable and rest discarded due to missing data. Non-probability sampling technique i.e. convenient sampling was used. Only willing respondents were included in the study. Respondents were categorized in a way as 132 were males 39 were females. Respondent's age distribution is as follows: 30 from (20 to 25), 73 from (26 to 30), 37 from (31 to 35), 21 from (36 to 40), 5 from (41 to 45), 2 from (46 to 50) and 3 from (51 or above). Most of the respondents have Masters Qualification.

![Research Model](image)

Figure 1: Research Model of the Study

Measures

A self-administered questionnaire is used for the data collection. The questionnaire comprises of two parts. In the first section, demographic factors are included such as age, gender, and education while the second section
focused on the variables i.e. knowledge management, organizational commitment, and work engagement. SPSS and Smart PLS used for the data analysis.

Knowledge management practices: Items were taken from the Organizational Renewal Capability Inventory. Likert scale is used ranging from 1 (strongly agree) to 5 (strongly disagree).

Organizational commitment. 4-Items selected for the current study were adopted from Meyer & Allen 1991 (1=strongly agree and 5= strongly disagree).

Work engagement. For measurement of work engagement with the help of work and well-being survey (UWES) developed by Schaufeli and Bakker (2003) having a 5-point Likert scale ranging from 1 to 5.

Data Analysis

Data was analyzed with the help of SPSS and Smart PLS-3. The validity and reliability of the constructs were analyzed through the measurement model and the relationship of the variable is developed by the structural model.

Correlation analysis

In Table 1 association between formative and latent variables is determined to employ the correlation matrix. Results reveal that there is a significant correlation between work engagement, organizational commitment, and knowledge management. All the constructs are significant at 0.01** level of significance and it also confirms the study expectations.

<table>
<thead>
<tr>
<th>Constructs</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Knowledge Acquisition</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 Knowledge Sharing</td>
<td>.32**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>3 Knowledge Creation</td>
<td>.42**</td>
<td>.69**</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>4 Knowledge codification</td>
<td>.33**</td>
<td>.69**</td>
<td>.62**</td>
<td></td>
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<tr>
<td>5 Knowledge Retention</td>
<td>.35**</td>
<td>.53**</td>
<td>.48**</td>
<td>.49**</td>
<td></td>
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<tr>
<td>6 Work Engagement</td>
<td>.26**</td>
<td>.50**</td>
<td>.56**</td>
<td>.46**</td>
<td>.48**</td>
<td></td>
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<tr>
<td>7 Organizational Commitment</td>
<td>.13**</td>
<td>.36**</td>
<td>.28**</td>
<td>.28**</td>
<td>.42**</td>
<td>.27**</td>
</tr>
</tbody>
</table>

Note: **All correlations are significant at 0.01 level

Measurement model

Construct validity. Construct validity has two important factors i.e. internal consistency reliability and indicator reliability. Internal consistency can be measured utilizing composite reliability (CR) and Cranach's alpha. The cut-off
score for the CR reliability is 0.7 or higher (Gefen, & Straub, 2005) and the threshold level for the Cranach's alpha is 0.7 (Nunnally, 1978). Indicator reliability can be assessed with the help of a cut-off score of 0.707 (Hair et al.; 2014).

**Convergent and discriminate validity.** These both are sub-categories of construct validity. If conditions of both constructs are fulfilled than they establish construct validity. Convergent validity is analyzed by the AVE analysis presented in Table II. AVE should be greater than 0.5 to suggest adequate convergent validity (Bagozzi & Yi, 1988; Fornell & Larcker, 1981). The discriminate analysis is determined by the cross-loadings, Fornell and Larcker (1981) criterion and hetero trait mono trait ratio of correlations (HTMT). In table III Italicized values are AVE and it should be greater than the off-diagonal values.

Table 2  **Measurement Model**

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Loadings</th>
<th>Reliability</th>
<th>AVE</th>
<th>Cronbach’s α</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knowledge Acquisition</td>
<td>0.9</td>
<td>0.92</td>
<td>0.85</td>
<td>0.82</td>
</tr>
<tr>
<td></td>
<td>0.95</td>
<td></td>
<td></td>
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<tr>
<td>Knowledge Sharing</td>
<td>0.74</td>
<td>0.86</td>
<td>0.57</td>
<td>0.5</td>
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<td></td>
<td>0.67</td>
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<td></td>
<td>0.78</td>
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<td>0.64</td>
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<td></td>
<td>0.69</td>
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<td></td>
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<tr>
<td>Knowledge Creation</td>
<td>0.69</td>
<td>0.88</td>
<td>0.59</td>
<td>0.85</td>
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<tr>
<td></td>
<td>0.71</td>
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<td>0.69</td>
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<td>0.71</td>
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<td>0.61</td>
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<tr>
<td></td>
<td>0.69</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Knowledge Codification</td>
<td>0.65</td>
<td>0.82</td>
<td>0.58</td>
<td>0.74</td>
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<td></td>
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<td></td>
<td>0.8</td>
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<tr>
<td></td>
<td>0.58</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Knowledge Retention</td>
<td>0.72</td>
<td>0.84</td>
<td>0.64</td>
<td>0.72</td>
</tr>
<tr>
<td></td>
<td>0.85</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Constructs</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
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<tr>
<td>--------------------------------</td>
<td>-----</td>
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<td>-----</td>
</tr>
<tr>
<td>1 Knowledge Acquisition</td>
<td>0.85</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 Knowledge Sharing</td>
<td>0.10</td>
<td>0.57</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 Knowledge Creation</td>
<td>0.17</td>
<td>0.47</td>
<td>0.59</td>
<td></td>
</tr>
<tr>
<td>4 Knowledge Codification</td>
<td>0.11</td>
<td>0.48</td>
<td>0.38</td>
<td>0.58</td>
</tr>
<tr>
<td>5 Knowledge Retention</td>
<td>0.12</td>
<td>0.28</td>
<td>0.23</td>
<td>0.24</td>
</tr>
<tr>
<td>6 Work Engagement</td>
<td>0.07</td>
<td>0.25</td>
<td>0.31</td>
<td>0.21</td>
</tr>
<tr>
<td>7 Organizational Commitment</td>
<td>0.02</td>
<td>0.13</td>
<td>0.08</td>
<td>0.08</td>
</tr>
</tbody>
</table>

Note: Italicized values presented in the diagonal pattern are AVE and the off-diagonal values are squared correlations.

4.3 Structural Model

After the confirmation of the reliability and validity of the model next step is to evaluate the structural model. In Table IV it’s depicted that $R^2$ for the organizational commitment is 20 percent i.e. research model is creating 20 percent of variance on organizational commitment. While 39 percent of the variance is generated by work engagement. Cut off score of t value should be 1.96 and the p-value is checked across 0.005 and 0.05. Results show that H2, H4, H5, H7, H8, and H10 are accepted while H1, H3, H6, H9 are not supported.
Table 4 Research Model

<table>
<thead>
<tr>
<th>Relationship</th>
<th>T value</th>
<th>p-value</th>
<th>Supported</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1  Knowledge acquisition → Organizational commitment</td>
<td>0.20</td>
<td>0.84</td>
<td>No</td>
</tr>
<tr>
<td>H2  Knowledge Sharing → Organizational Commitment</td>
<td>1.97</td>
<td>0.00***</td>
<td>Yes</td>
</tr>
<tr>
<td>H3  Knowledge Creation → Organizational Commitment</td>
<td>0.12</td>
<td>0.13</td>
<td>No</td>
</tr>
<tr>
<td>H4  Knowledge Codification → Organizational Commitment</td>
<td>2.28</td>
<td>0.00***</td>
<td>Yes</td>
</tr>
<tr>
<td>H5  Knowledge Retention → Organizational Commitment</td>
<td>3.29</td>
<td>0.00***</td>
<td>Yes</td>
</tr>
<tr>
<td>H6  Knowledge Acquisition → Work Engagement</td>
<td>0.20</td>
<td>0.98</td>
<td>No</td>
</tr>
<tr>
<td>H7  Knowledge Sharing → Work Engagement</td>
<td>2.20</td>
<td>0.05*</td>
<td>Yes</td>
</tr>
<tr>
<td>H8  Knowledge Creation → Work Engagement</td>
<td>3.73</td>
<td>0.00***</td>
<td>Yes</td>
</tr>
<tr>
<td>H9  Knowledge Codification → Work Engagement</td>
<td>0.83</td>
<td>0.41</td>
<td>No</td>
</tr>
<tr>
<td>H10 Knowledge Retention → Work Engagement</td>
<td>2.89</td>
<td>0.00***</td>
<td>Yes</td>
</tr>
</tbody>
</table>

R2 organizational commitment = .207; R2 Work engagement = .394

Note: ***Significance .005; *significance .05

5. Discussion

From the research model, it's quite evident that knowledge acquisition and knowledge creation has no impact on the organizational commitment of employees. But when knowledge is codified, shared, and retained than it boosts the commitment level of employees. Moreover, the work engagement shows similar results as the knowledge acquisition and codification has no impact on the work engagement of employees while the knowledge sharing, creation, and retention has a significant impact on the engagement level of employees. It may happen that in the banking sector of Pakistan employees are appreciated only when they share knowledge and retain it and that why it increases the commitment and engagement level of employees and the organizational performance as well.

Knowledge-based structures always enhance the organizational commitment and in line with this current research also affirms that the
organizational culture about knowledge sharing, codification, and retention would ultimately boost your morale and organizational commitment (Brooks, G.; 2002). Similarly, knowledge sharing is the most important and significant knowledge management process that helps in transferring the tacit knowledge and it has a significant correlation with the organizational commitment (Gupta, et al., 2012).

Conclusion and Practical Implications

The concept of knowledge Management is largely unexplored in the context of employee effective behaviors. This study shrinks the gap in this regard and provides the KM and organizational commitment and work engagement through empirical analysis. Major research findings suggest that HR professionals should impart the importance of knowledge sharing, knowledge retention, and knowledge codification if they want to increase employee commitment as both constructs relate significantly. Similarly, KM practices should be included in the toolbox of managers to enhance the work engagement of employees. Consequently, the study establishes a unique advantage of KM for organizations, consolidating the point that KM is an important driver of value creation, organizational competitiveness and success (Schiuma et al., 2012).

The study also has practical implications as it directs a winning path to the managers that should implement knowledge management practices as if they want to increase the commitment and engagement level of employees. The study also preaches that only providing training to employees is not enough but the real work starts after providing training as the knowledge sharing and retentions boost commitment and engagement not the acquiring and codification of knowledge.

Limitations

A cross-sectional study design was adopted in the study which limits us to provide detailed analysis. Another limitation related to the small sample size. As the study is novel in this area and there is a huge opportunity to explore the topic. Future research can extend the study by taking organizational commitment and work engagement as a mediator and analyzing its impact on organizational performance. Moreover, organizational commitment dimensions i.e. affective, normative & continuance commitment and dimensions of work engagement i.e. vigor, dedication, and absorption could also be incorporated in the research model for in-depth analysis of constructs.
References


