

Research Paper

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# The effect of knowledge management on organizational performance considering the mediating variable of business process management

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**Abstract**

The purpose of this research is the effect of knowledge management on organizational performance considering the mediating variable of business process management. The current research is applicable in terms of purpose, and descriptive-survey in terms of data collection, and correlative type. The statistical population of the current research includes managers and experts of a company active in the field of export and import as many as 160 people, which was considered to be 113 people using Cochran's formula, and non-random sampling method was used. The collection tools in this research include knowledge management questionnaires by Fong et al., (2009), business process management by Rouhani et al., (2014), and organizational performance by Choi and Rainey (2010). The reliability of the research was checked and confirmed using Cronbach's alpha criterion in SPSS software. PLS software was used to fit the conceptual model of the research. The findings of the research showed that based on the significant values of them, all three hypotheses were confirmed. The impact of knowledge management on business process management was 0.742, the impact of knowledge management on organizational performance was 0.422, and the impact of business process management on organizational performance was 0.652. Therefore, the most important proposal of the research is to pay attention to the preservation, sharing and application of knowledge, which is effective both in managing business processes and in increasing the level of organizational performance.

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## **Extended Abstract**

### **Introduction**

The activity environment of public and private organizations has undergone great changes in the last decade. This environment has changed from a static and motionless environment to a highly variable and dynamic environment. Therefore, organizations need flexibility in almost all aspects of their existence for their survival. On the other hand, preserving knowledge capitals and continuing to use them is also a reason for organizations to seek the use of knowledge management and its application (Bayat et al, 2022). Business process management is also one of the latest process management strategies and focuses on the continuous improvement of business processes using information technology as one of the basic elements of process implementation. Business process management strategy seeks to achieve flexibility and agility in the growth and evolution and dynamics of business processes and technological systems related to them. Business process management is a set of methods and technologies to identify, model, analyze, implement, control and improve business processes (Fernández et al. et al., 2020).

The evidence of past research shows that knowledge management is a variable that is effective in business process management; and its dimensions can strengthen business process management. Also, many researchers, in the business environment, have examined the relationship between business process management and the performance of organizations, and have reached positive results based on effectiveness (Wei & Ling, 2015). Knowledge management can have a positive effect on improving the performance of organizations and on the other hand, it can strengthen the components of business process management. Also, focusing on the components of business process management leads to better utilization of resources and has an effective role in the better performance of organizations (Bayat et al, 2022). Therefore, the researcher is trying to answer the question, what is the effect of knowledge management on organizational performance with regard to the mediating variable of business process management?

### **Theoretical Framework**

#### **Knowledge management**

The most basic definition of knowledge management is to find a way to create and distribute organizational knowledge to people in need. Knowledge management includes the provision of wisdom and value-added experiences of people within the organization; so that it facilitates the retrieval and use of knowledge and protects it as an asset of the organization (Jalali & Jafari, 2022).

#### **Business process management**

Business process management is a proper balance of several sets of actions and tasks that must be done to effectively provide the needs and demands of customers and clients. This management approach increases the efficiency and effectiveness of the business to bring about certain changes in the system and achieve the goals and objectives of the company (Khajunjad, 2023).

#### **Organizational Performance**

Organizational performance is a complex phenomenon, and perhaps the simplest interpretation for it can be considered as a set of activities aimed at achieving organizational goals, therefore, organizational performance is related to how much an organization has achieved its goals. Organizations in difficult conditions should be able to identify organizational performance indicators that allow responding to new problems with the

maximum speed of adapting to changes in the business environment (Brumand & Panahi, 2023).

Karamipur (2023) investigated the design of artificial intelligence competency model on organizational performance considering business-to-business marketing capabilities. The results showed that the mechanisms of artificial intelligence competencies have an effect on business-to-business marketing capabilities and organizational performance, and also the model of artificial intelligence competencies on organizational performance is confirmed by considering the aspect of business-to-business marketing capabilities.

Agheshlouei et al, (2023) investigated the presentation of a new business model to help entrepreneurs develop new businesses and e-commerce startups. The results of the research show that in addition to improving the business model of Strowalder and Pignor, the business model presented in the present study leads to a better understanding of the elements of the business model by entrepreneurs, and it improves investment negotiations by creating convergence and common understanding of business concepts between entrepreneurs and investors. Using this business model, entrepreneurs focus on the value proposition in addition to the technical details.

### Research methodology

The current research is applicable in terms of purpose, and descriptive-survey in terms of data collection, and correlative type. The statistical population of the present study includes managers and experts of a company active in the field of export and import in the number of 160 people, using Cochran's formula, the number of 113 people was selected and the available non-random sampling method was used. The collection tools in this research include knowledge management questionnaires by Fong et al., (2009), business process management by Rouhani et al., (2014), and organizational performance by Choi and Rainey (2010).

### Research findings

SPSS and PLS software were used to analyze the research data. The findings of the research showed that based on the significant values of the hypotheses, all three of them were confirmed. The impact of knowledge management on business process management was 0.742, the impact of knowledge management on organizational performance was 0.422, and the impact of business process management on organizational performance was 0.652.

### Conclusion

The current research was conducted with the aim of the effect of knowledge management on organizational performance with regard to the mediating variable of business process management. The results of this research are in agreement with the results of Karamipur (2023), Agheshlouei et al, (2023), Asgharneghad & Haghdoust (2022), Jalali & Jafari (2022), Bayat et al, (2022), Purrashidi (2021), Nobari (2021), Abi (2020), Pirayesh et al, (2020), Payal et al, (2019), and Zaim et al, (2019).

The results related to the first hypothesis showed that knowledge management is effective on the performance of the organization. Therefore, in order to improve the performance of the organization, it is important and necessary to use the knowledge and experiences of employees.

The results related to the second hypothesis showed that knowledge management has an impact on business process management. The sharing and exchange of knowledge in the organization causes better regulation and performance of the processes in the organization and leads to the management of processes related to the performance of various tasks in any organization.

The results related to the third hypothesis showed that business process management is effective in organizational performance. Management of processes and, if necessary, modification, reengineering and their evaluations based on different conditions can lead to the improvement of organizational performance.

According to the results of the research, it is suggested that by using information and software systems, processes should be formulated and their compliance should be periodically monitored. It is suggested to other researchers to conduct such a research in other organizations and compare their results with the results of this research, so that according to the conditions of the studied organizations, models for improving knowledge management and organizational entrepreneurship are discussed, and the results are precisely analyzed. It is also suggested to use other data collection methods such as interview and observation to strengthen the results.