

# **KNOWLEDGE MANAGEMENT IN MSC MALAYSIA: THE ROLE OF INFORMATION TECHNOLOGY CAPABILITY**

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## **ABSTRACT**

The present study endeavours to investigate the dimensions of knowledge management, information technology capability and firm innovativeness. It attempts to examine the impact of information technology capability in mediating the connection between the dimensions of knowledge management, namely knowledge acquisition, knowledge conversion, knowledge application and knowledge protection; on firm innovativeness. A total of 202 Malaysian organisations took part in the survey. The results highlight that knowledge conversion and knowledge protection are positively and significantly related to firm innovativeness. Information technology capability was found to mediate the connection between knowledge conversion and knowledge protection.

**Keyword:** Firm Innovativeness; Information Technology Capability; Knowledge management; MSC Malaysia.

## **1. INTRODUCTION**

Survival in business environment is dependent very much on organisations' performance and therefore, it is decisive for organisations to sustain their performances in order to be competitive and achieve their visions and missions. A unique way for organisations to attain competitiveness is by being innovative (Hurley & Hult, 1998). The capability to be inventive is regarded as one of the unique and essential requirements that could impact performance of an organisation (Hurley & Hult, 1998). On the other hand, knowledge management (KM) is regarded as a planned process to organise knowledge resources and practices in advancing the formation, distribution and application of knowledge to attain goals of the organisation (An, Deng, Chao, & Bai, 2014). In the present day, information technology plays a vital role and is regarded as one of the foundations of organisational competency that provides organisations the capability to recognise and respond to market dynamics. As such, information technology capability (ITC) is expressed as the capability to manage and initiate IT-related assets by blending and integrating with other resources and capabilities of the organisation (Bharadwaj, 2000). Despite the importance of KM and the realisation of its importance for organisations, most of these KM programmes failed, owing to a number of reasons such as the inappropriate adoption of KM initiative, over dependence to information technology and ignorant of the consequences of KM. As such, Jayasingam, Ansari, Ramayah and Jantan (2013) suggest that KM

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