

The Role of Knowledge Management, Kaizen Culture and Training on Employee Performance

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Abstract: The study establishes the relationship between employee performance, training, knowledge management and Kaizen culture. Primary sources, specifically questionnaires distributed to respondents via online Google Forms and printed copies, provided the data for this study. This study included a convenience sample of 113 respondents from selected private companies in Johor, Melaka, and Negeri Sembilan. The study found no statistically significant relationship between training and knowledge management about employee performance. The introduction of Kaizen culture in certain organizations in the southern region of Malaysia proved to have a significant influence on employee performance. This study highlights the significance of implementing a kaizen culture to enhance employee performance. Implementing the kaizen principle would immediately affect several aspects such as employee engagement, empowerment, communication, and recognition. Although earlier studies have examined employee performance and its management antecedents, there is a lack of understanding of the relationship between training, knowledge management, and the kaizen culture, specifically within the private sector in Malaysia.

Keywords: *Training, Knowledge management, Kaizen, Culture, Employee performance*

1. Introduction

Organizations must continue to strengthen their employees' competence and abilities if they wish to gain a competitive advantage by assisting their employees in adopting the organization's mission, internalizing its shared values, and integrating its practices. Employee performance is one of the most important variables in organizational and work psychology, and businesses that want to advance must pull out all the stops to assist them in advertising their specialized goods and services and therefore achieve their goals, Gencer et al, (2023). Organizations must learn how to quickly minimize the inverse impacts of uncertainty and ambiguity by creating dynamic core skills as the business world stays dynamic and turbulent. 'Experts' have frequently bombarded us with many programs purporting to answer all the sector's management problems (Cheng & Leong, 2017). These include training and guidance (Surucu, 2021), the attainment of the objectives of continuous improvement (Kharub et al, 2022), and the vital sharing of knowledge, particularly in the reworking process of technical developments and discoveries, which would, seemingly, heighten employee job performance. Today, there is little doubt that the "quality program" revolution is in full swing. This phenomenon has been observed to have an impact on almost every sort of business, industry, organization, and person. The assessment of an employee's performance encompasses multiple dimensions and is consistently emphasized as having a significant influence on a company's profitability.

Training, knowledge management, and the cultivation of a kaizen culture are management strategies that have previously been implemented within organizations to enhance employee performance. For example, training should create quality employees, with an improvement in employee performance achieved by personally improving their knowledge, skills, and attitudes toward tasks that are their responsibility (Sidik, 2021). The concept of kaizen culture pertains to a managerial approach aimed at optimizing the work environment by minimizing wasteful practices and fostering an atmosphere that is both efficient and productive (Kusumaningrum, 2017). Finally, knowledge management can be defined as a systematic process that involves the creation, acquisition, comprehension, dissemination, and utilization of knowledge, regardless of its storage location. The primary objective of knowledge management is to improve organizational learning and boost overall performance (Di Vaio, et al., 2021). Despite previous research on employee performance and its management antecedents, there is a lack of understanding regarding the connection between training,

knowledge management, and the kaizen culture, particularly within Malaysia's private sector. This study sought to investigate the connection between the aforementioned three criteria and their potential influence on employee performance.

2. Literature Review

Employee Performance

Organizations implement various upgrades or modifications to enhance work performance, which can potentially increase productivity and yield if consistently applied. Performance is essentially the evaluation of an employee's accomplishments about the established benchmarks for their specific position. The metrics used to assess the enhancement's efficacy include improvements in employee performance and the quality of work produced. Omoush et al. (2020) discovered a direct correlation between the quality of completed work and both work performance and overall job satisfaction. Employees enhance the quality of their work by first familiarizing themselves with the concept of work quality and reflecting on the importance of their contribution to the business's success. This allowed employees to better understand how to improve the quality of their work. Work effectiveness can be defined as an employee's satisfying performance that leads to achieving predetermined goals. These goals are based on the employee's productivity, quality of work output, quantity of work completed, timely completion of duties, and workplace reliability. The employee's productivity and the quality of their work output measure the effectiveness of their work. Gunawan et al. (2022) further strengthened this argument by asserting that adherence to established standards, such as those for service firms, primarily determines the quality of the scope of work, including the timely delivery of goods or services and the ability to meet or exceed consumer expectations.

Training

Both newly hired and existing personnel receive training, a methodical form of teaching, to equip them with the essential abilities required to proficiently carry out their job duties. Training is a proactive initiative that aims to improve people's competence and skills in the workplace (Soelton, 2018). Through training, employees could acquire new skills and enhance their existing abilities, enabling them to perform their current tasks more effectively and efficiently, ultimately contributing to achieving organizational goals (Sidik, 2021). Training allows employees to acquire the skills, information, and capabilities essential to accomplishing the duties required of them on the job. As a result, employee performance is considerably improved. According to research, participation in training programs leads to improvements in one's productivity, level of job satisfaction, level of motivation, level of engagement, and level of competitiveness. According to Al Karim (2019), proper training contributes to organizational success and growth. Therefore, based on the foregoing discussion, the following hypothesis is developed:

H1: There is a significant relationship between training and employee performance.

Knowledge management (KM)

Knowledge management (KM) refers to the systematic approach of identifying, organizing, storing, and disseminating information within an organization. It involves the management of diverse assets, including human resources and information resources documented in various forms, such as manuals or documents. The primary objective of KM is to enable employees to effectively utilize this knowledge in the execution of their tasks and responsibilities (Payal et al. 2019). KM could alternatively be defined as the process of producing, acquiring, comprehending, sharing, and using knowledge, regardless of where the knowledge is physically held, to improve the learning and performance of an organization (Di Vaio, et al., 2021). This includes the identification, acquisition, transfer, sharing, and exploitation of knowledge (Albassami et al., 2019). Among the various interpretations of knowledge management (KM), the most straightforward rendition posits it as a strategic approach aimed at acquiring appropriate knowledge and facilitating the dissemination and assimilation of information to improve organizational effectiveness. Companies must curate and disseminate knowledge that aligns with the specific requirements of their diverse range of job roles. It is of the utmost importance that the acquired knowledge be communicated to the appropriate persons; failing to do so would render it useless or wasteful (Sidik, 2021). According to a study conducted by Aladwan et. al (2020), it was

demonstrated that the many dimensions of knowledge management, including knowledge acquisition, knowledge storage, information sharing, and application of knowledge, collectively have a simultaneous impact on employee performance. According to Abun (2021), whose research examined the impact of knowledge management on employee work performance. The study's findings suggested a strong direct impact of these elements on organizational performance based on its criteria, which aimed to evaluate the impact of knowledge production, transfer, sharing, organizational learning, and innovation on organizational performance. Therefore, the following hypothesis is developed:

H2: There is a significant relationship between knowledge management and employee performance.

Kaizen culture

Kaizen is a Japanese management philosophy for incremental, methodical, and continuous change that results in incremental improvement. According to Tariku & Aden (2020), Kaizen is a philosophy of continuous improvement. Kaizen is a value-based management system that encompasses every aspect of our lives for consistent improvement. According to Shewareged (2019), in business, kaizen refers to activities that perpetually improve all functions with the support of all employees. Kaizen works well within collective cultures for implementing incremental changes that result in long-term transformation. The Kaizen philosophy was more centered on people, simpler to implement, and required discipline over the long term. This was also supported by Deme, (2018) where Kaizen was a participative process that incorporated everyone from top management to shop floor employees.

Kaizen is the continual improvement of day-to-day operations in all facets of the company, including for everyone (managers as well as frontline and shopfloor employees) and everywhere (all areas, departments, or processes), and it has a direct influence on the performance of employees. For instance, Kumar, et al (2018) and Ishigame (2020) showed that Kaizen led to improvements in productivity and other performances. Therefore, the following hypothesis is developed:

H3: There is a significant relationship between Kaizen culture and employee performance.

3. Methodology

The target population for this study consists of employees working in private-sector companies situated in the southern area of Malaysia. The purposive sampling method selected a total of 113 respondents, ensuring representation across various levels of positions within their respective organizations. The present study encompasses four primary variables, including training, knowledge management, kaizen culture, and employee performance. The items utilized in this study were derived from prior research, with a particular emphasis on studies that closely align with the organizational environment. All variables were assessed using a five-point Likert scale. Then, this data was analyzed using statistical analysis to obtain the relationship between several variables in this study. The quantity of items corresponds to each variable depicted in Table 1 below.

Table 1: Operationalization of Variables

Variable	Number of Items	Source
Training	10	Al-Saudi (2016) Nassazi (2013) Vo et al (2019) Karim & Latif (2019)
Knowledge Management	10	Payal et al (2019) Yao et al (2020)
Kaizen Culture	9	Erdogan (2015) Vo et al (2019)
Employee Performance	6	Karim & Latif (2019) Al-Saudi (2016)

4. Findings

Cronbach's alpha was carried out, and as shown in Table 2, the alpha value (α) for all items was above 0.7. Therefore, it can be concluded that the items applied in this study were valid and reliable. Due to the α value being close to 1, it can be considered that the variables used have a high level of reliability. Next, Table 3 shows the breakdown of the respondents by gender, age group, education level, designation, and years of working experience in the current organization. The majority of respondents were female, with 49.6% of them being between the ages of 31 and 40. As for education level, the majority of respondents obtained a first degree with 51.3%, and only 5.3% qualified with a postgraduate degree. Designation in the organization, executives indicated a high percentage with 58.4%, followed by clerks with 23.9%. Finally, based on their working experience, most of them involved in the current organization for between 10 and 15 years, with 31.0%.

Table 2: Reliability Analysis

Variable	Number of Items	Cronbach's Alpha
Training	10	0.965
Knowledge Management	10	0.945
Kaizen Culture	9	0.927
Employee Performance	6	0.934

Table 3: Respondents profile

Criteria	Category	Number	Percentage
Gender	Male	42	37.2
	Female	71	62.8
Age Group	19-25	2	1.8
	26-30	16	14.2
	31-40	56	49.6
	41-50	23	20.4
	51 and above	16	14.2
Education Level	Higher Secondary	24	21.2
	Diploma	24	21.2
	Degree	58	51.3
	Post Graduate	6	5.3
	Professional Certificate	1	0.9
Designation	Clerks	27	23.9
	Executive	66	58.4
	Middle-Level Manager	17	15.0
	Senior Manager	3	2.7
Working experience	1-4 years	6	5.3
	5-9 years	30	26.5
	10-15 years	35	31.0
	16-19 years	19	16.8
	More than 20 years	23	20.4

Table 4: Result of Multiple Regression

Dependent variable: Employee performance			
Independent variables	Standardized Coefficient (BETA)	Sig.	
(Constant)			
Training	0.121		0.127
Knowledge Management	0.157		0.070
Kaizen Culture	0.365		0.000
F value	28.589 (0.000)		
R square	0.440		

5. Conclusion and Discussion

According to Table 4 above, the only variable with a significant relationship is kaizen culture, whose significant value is 0.00 because it is less than 0.05. The beta value of kaizen culture ($\beta = 0.365$) also indicated that kaizen culture is the highest predictor among the other independent variables. The result also specifies the positive relationship between the kaizen culture and employee performance, suggesting that the increase of one unit of kaizen culture may increase the value of employee performance in an organization.

However, for the other two independent variables, training and knowledge management, the results turned out to be not significant at values of 0.127 and 0.070, respectively, as they are not within $p < 0.01$ or even $p < 0.05$. In this research, those two variables did not significantly influence the dependent variable, employee performance.

Based on this empirical evidence, this study proves that Kaizen culture is highly relevant in the context of improving the performance of employees in organizations, especially in the private sector in Malaysia. This aligns with current research findings about this significant relationship, as exemplified by several studies undertaken by Ekhsan et al. (2023), Nasution et al. (2023), and El Hasan et al. (2022). Thus, it is suggested that each organization be encouraged to apply this new culture set as it can promote teamwork, waste reduction, continuous improvement practices, employee development, and innovativeness, which will foster better employee and organization performance.

Several implications might be obtained from this advantage of Kaizen culture toward improving employee performance. For example, Kaizen encourages employees to participate actively in identifying and implementing process improvements for their work. Employees are more engaged and motivated to perform at their best when they influence how their work is performed and when their suggestions are implemented. Secondly, Kaizen empowers employees by allowing them access to their work processes. When employees have a sense of ownership and control over their tasks, they are more likely to take pride in their work and aspire for improved performance. Moreover, Kaizen frequently involves cross-functional teams collaborating on improvement initiatives. This enhances employee communication and collaboration, thereby enhancing overall performance. Lastly, organizations that implement Kaizen usually acknowledge and reward employees for their contributions to continuous improvement. These incentives can encourage workers to continue seeking improved performance.

Acknowledgment: The authors would like to thank Universiti Teknologi MARA, Cawangan Melaka for supporting this article.

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