



Research Article

# An Inquiry into Knowledge Management Capabilities and Their Influence on Managerial Decision-Making

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**Abstract:** This study investigates the role of knowledge management (KM) capabilities in enhancing managerial decision-making within organizational settings. Using a systematic review approach, ten peer-reviewed journals published between 2019 and 2024 were analyzed to identify key themes, patterns, and empirical findings related to knowledge management implementation and its influence on decision-making processes. The review reveals that strong knowledge management capabilities particularly in knowledge acquisition, storage, sharing, and utilization significantly contribute to improving the accuracy, speed, and strategic quality of managerial decisions. The findings also show that organizations with well-developed knowledge management infrastructures, supported by digital technologies and a culture of knowledge sharing, demonstrate greater adaptability, innovation, and problem-solving effectiveness. This study concludes that knowledge management capabilities are essential for strengthening evidence-based decision-making and enhancing organizational competitiveness. Implications for managers emphasize the need to invest in knowledge management systems and foster collaborative knowledge practices. Suggestions for future research include expanding the scope to cross-industry comparisons and integrating knowledge management with emerging technologies such as AI-based decision support systems.

**Keywords:** Decision Making; Digital Technologies; Knowledge Management; Knowledge Sharing; Organizational Competitiveness.

## 1. Introduction

The accelerating pace of change in today's business environment—driven by digital transformation, globalization, competitive pressure, and rapid technological disruption—requires organizations to make managerial decisions that are fast, adaptive, and data-informed. In this context, knowledge has shifted from being a supportive organizational resource to becoming a core strategic asset that determines long-term competitive advantage (Al-Shammari & Hussein, 2021; Lyu et al., 2022). Organizations with strong knowledge management (KM) capabilities tend to be more agile, innovative, and responsive to uncertainty, enabling them to navigate dynamic environments more effectively (Singh & Gupta, 2023; Zhang & Liu, 2023).

Conceptually, KM capabilities involve an organization's capacity to acquire, store, convert, share, and apply knowledge throughout its processes (Nahar et al., 2020; Ramirez & Lee, 2019). These capabilities are not only shaped by technology but are also heavily influenced by cultural, structural, and human capital dimensions (Aulia & Wibowo, 2022; Hussein & Nassuora, 2019). Thus, KM capabilities are multidimensional, reflecting the interplay of technology, organizational culture, leadership behavior, and strategic orientation.

In managerial decision-making, knowledge plays a key role across all stages of the decision cycle—from recognizing problems (intelligence), formulating alternatives (design), selecting solutions (choice), to evaluating outcomes (review) (Nguyen & Doan, 2023). When

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KM processes are effectively integrated with analytical tools and digital systems, managers can access accurate, relevant, and timely information that reduces uncertainty and cognitive biases, ultimately improving decision quality and organizational responsiveness (Alrowwad et al., 2020; Lyu et al., 2022).

Despite its strategic value, many organizations struggle to implement KM effectively. Studies highlight persistent barriers such as weak knowledge-sharing cultures, siloed organizational structures, limited digital literacy, resistance to technological change, and inadequate leadership support (Nahar et al., 2020; Alrowwad et al., 2020). These obstacles prevent the optimal transformation of tacit knowledge into actionable insights, limiting the potential of KM to enhance decision-making processes (Hussein & Nassuora, 2019; Zhang & Liu, 2023).

Recent technological advancements—including big data analytics, artificial intelligence, cloud systems, and collaborative digital platforms—offer new opportunities to improve KM practices (Nonaka & Takeuchi, 1995; Davenport & Prusak, 1998). Integrating IT capabilities with KM processes has been shown to accelerate knowledge sharing and enhance the quality of strategic decisions (Lyu et al., 2022; Singh & Gupta, 2023). However, research consistently stresses that technology alone is insufficient; without appropriate cultural norms, leadership commitment, and structured KM processes, the implementation will remain superficial and yield minimal benefits (Wiig, 2004; Hislop et al., 2018).

Cross-sectoral evidence also reveals contextual differences in how KM capabilities influence decision-making. In higher education, weak administrative knowledge sharing can hinder operational decisions, while in technology-driven private sectors, analytics-supported KM enhances product innovation and strategic flexibility (Nguyen & Doan, 2023; Zhang & Liu, 2023). This suggests that the relationship between KM capabilities and decision-making is not universal but depends on context-specific organizational characteristics and environmental conditions (Al-Shammari & Hussein, 2021; Alrowwad et al., 2020).

Given these gaps, a deeper qualitative exploration is needed to understand how KM capabilities shape managerial decision-making processes, particularly from the perspective of meanings, experiences, and interpretations derived from empirical research findings. This study seeks to address this gap by analyzing how KM capabilities are implemented and how they influence managerial decisions across different organizational contexts.

## 2. Literature Review

### 2.1 Knowledge Management Capabilities

Knowledge Management Capabilities (KMC) refers to an organization's ability to effectively manage knowledge thru the processes of acquisition, storage, sharing, and application of knowledge. Since 2019, literature indicates that Knowledge Management Capabilities has evolved from a mere administrative process into a strategic foundation for building competitive advantage. Feng et al. (2022) assert that dynamic Knowledge Management capabilities can enhance innovation performance and organizational resilience in a rapidly changing business environment. Recent research by Li (2025) also supports this perspective, stating that Knowledge Management Capabilities is an integral part of the dynamic capabilities framework that enables organizations to adapt to market and technological changes.

Knowledge Management capabilities are not only influenced by technology, but also by organizational culture and leadership. Alo (2025) found that knowledge-oriented leadership plays a significant role in building Knowledge Management Capabilities, particularly by creating an environment that supports knowledge sharing and cross-unit collaboration. Sulayman (2024) also emphasizes that a strong Knowledge Management Capabilities process can reduce information fragmentation and improve organizational effectiveness in leveraging knowledge as a strategic asset. Thus, Knowledge Management Capabilities can be understood as a combination of technical, cultural, and behavioral capabilities that drive the transformation of knowledge into real action within an organization.

### 2.2 Managerial Decision Making

Managerial Decision-Making is a process that includes problem identification, alternative analysis, solution selection, and evaluation of decision outcomes. In modern literature, managerial decisions are increasingly influenced by the quality and availability of information, as well as the organization's ability to process knowledge. Khrisat (2024) shows that the knowledge-driven decision-making process plays a role in improving the accuracy and effectiveness of decisions, especially at the managerial level. He found that the four main

processes in Knowledge Management is knowledge acquisition, storage, sharing, and application significantly impact the quality of "intelligence decision-making."

Another systematic study since 2020 also confirms that digital technology, data analytics, and management information systems play a role in accelerating the decision-making process. Litvaj (2022) revealed that the quality of decisions depends not only on the manager's analytical abilities, but also on the availability of organized knowledge structures. Thus, the managerial decision-making process is increasingly shifting from intuition or subjective experience toward data- and knowledge-based systems, where the role of Knowledge Management is becoming increasingly dominant.

### **2.3 The Relationship between Knowledge Management Capabilities and Managerial Decisions**

The relationship between Knowledge Management Capabilities and managerial decision-making became a major focus in many studies after 2019. The research findings indicate that Knowledge Management capabilities significantly influence the quality, speed, and accuracy of managerial decisions. Khrisat (2024) proves that the stronger an organization's Knowledge Management capabilities, the higher the manager's ability to make data-driven, more rational decisions with minimal cognitive bias. Additionally, the integration between Knowledge Management capabilities and information technology (ICT) such as big data and artificial intelligence, which has been extensively researched in systematic mapping studies from 2023 to 2024, makes the decision-making process more efficient and accurate.

On the strategic side, Chen et al. (2025) assert that well-managed Knowledge Management capabilities contribute to improved business model innovation and long-term strategic decision-making. Thus, Knowledge Management Capabilities not only enhances managers' problem-solving abilities but also strengthens the organization's capacity to identify new opportunities and design future strategies. Feng et al. (2022) also added that the presence of strong Knowledge Management Capabilities is able to increase organizational resilience in the face of uncertainty, especially through increasing organizational learning capacity. Overall, the literature suggests that Knowledge Management Capabilities is a key factor driving managers to make more accurate, faster, and strategically valuable decisions.

### **3. Proposed Method**

This research employs a qualitative method based on a Systematic Literature Review (SLR) to analyze the relationship between knowledge management capabilities and managerial decision-making in the context of modern management. This approach was chosen because it provides the ability to gather, evaluate, and synthesize academic findings from various relevant studies, as recommended by Snyder (2019) that SLR is an effective method for building theoretical understanding and identifying patterns of findings across research. The review process was conducted by collecting 10 reputable international journals published between 2019 and 2024, using search databases such as Scopus, ScienceDirect, Emerald Insight, SpringerLink, and Google Scholar. Inclusion criteria for journals include: (1) a focus on knowledge management or knowledge management capabilities, (2) relevance to managerial decision-making or organizational decision processes, (3) methodology relevant to theoretical or empirical studies, and (4) publication within the most recent years.

The first step in the SLR process begins with screening titles and abstracts to ensure relevance. Next, a full-text review was conducted to assess the suitability of the research objectives, methodological approach, variables studied, and the theoretical contribution of each article. Each journal was analyzed using content analysis techniques, which involve reading and coding textual data to identify the main themes related to knowledge management capabilities, decision-making mechanisms, and the relationship between the two within an organizational context. This content analysis technique follows the recommendations of Bengtsson (2019), who states that content analysis is very effective for systematically and deeply interpreting textual data.

From the analysis process, the themes were organized into three main categories: (1) Knowledge Management Capabilities, (2) Managerial Decision-Making, and (3) Knowledge management and Decision-Making Integration, based on the consistent pattern of findings that emerged across 10 journals. The validity of the research is maintained through literature triangulation techniques, which involve comparing findings across articles to identify consistent patterns, contradictions, and unanswered research gaps.

#### 4. Results and Discussion

Based on a review of ten peer-reviewed journal articles published between 2019 and 2024, it was found that knowledge management capabilities have a consistent and significant influence on managerial decision-making and overall organizational performance. The majority of studies emphasize that effective knowledge management practices particularly knowledge acquisition, storage, sharing, and application directly improve the quality, speed, and accuracy of managerial decisions (Imran, 2022; Litvaj et al., 2022; Yeboah et al., 2023). Several studies also highlight that knowledge management enhances innovation, operational efficiency, and strategic responsiveness, making organizations more competitive in dynamic environments (Al-Shammari & Hussein, 2021; Turan, 2024).

Strong knowledge management capabilities enable managers to utilize relevant and timely knowledge, reduce uncertainty, and base decisions on reliable information flows. This aligns with findings that emphasize the importance of leadership support, knowledge-oriented culture, and digital infrastructure as critical enablers of decision-making effectiveness (Chaithanapat et al., 2022; Khrisat, 2024). Overall, the literature consistently demonstrates that organizations that systematically manage their knowledge resources are better equipped to make informed managerial decisions and achieve higher performance outcomes.

**Table 1.** Summary of Studies on Knowledge Management and Decision-Making.

No	Year	Authors & Title	Journal	Focus of Study
1	2019	Abubakar, A.M. <i>“Knowledge Management, Decision-Making Style and Organizational Performance”</i>	Journal of Workplace Learning	Explores how KM practices influence decision-making styles and organizational outcomes.
2	2021	Al-Shammari, M., & Hussein, R. <i>“Knowledge Management and Organizational Competitiveness”</i>	Journal of Knowledge Management	Examines KM as a driver of competitiveness, innovation, and decision quality.
3	2022	Litvaj, I. et al. <i>“Decision-Making Procedures and Their Relation to Knowledge Management”</i>	Sustainability (MDPI)	Analyzes how KM affects managerial decision processes across organizational levels.
4	2022	Imran, M. <i>“Knowledge Management Capabilities and Organizational Outcomes: A Systematic Review”</i>	VINE Journal of Information and Knowledge Management Systems	Reviews how KM capabilities impact performance, innovation, and decision-making.
5	2022	Chaithanapat, P. et al. <i>“Knowledge-Oriented Leadership and Knowledge Management Practices”</i>	Journal of Innovation & Knowledge	Shows how leadership enables KM processes that improve managerial decisions.
6	2023	Yeboah, R. et al. <i>“Knowledge Sharing in Organizations: A Systematic Review”</i>	Journal of Knowledge Management	Identifies enablers and barriers of knowledge sharing affecting organizational decision-making.
7	2023	Idrees, R. <i>“Knowledge Management and New Product Development: A Systematic Review”</i>	Technological Forecasting & Social Change	Demonstrates how KM supports decision-making in innovation and product development.
8	2023	Smaradhani, A. <i>“Knowledge Management Infrastructure and Organizational Performance”</i>	Indonesian Journal of Business and Entrepreneurship	Investigates how KM infrastructure enhances strategic decision-making.

9	2024	Khrisat, O. " <i>Knowledge Management Processes and Intelligence Decision-Making</i> "	Journal of Intelligence Studies	Shows direct effects of KM processes on intelligence-based managerial decisions.
10	2024	Turan, S. " <i>Critical Success Factors for Sustainable Knowledge Management</i> "	Sustainability (MDPI)	Identifies KM success factors (leadership, culture, technology) that support better decision-making.

The research findings support the theory that knowledge is a strategic asset that directly influences the quality of decisions. Knowledge management capabilities help managers access relevant, up-to-date, and well documented information, making the thinking process more structured and evidence-based. When organizations have integrated knowledge storage systems, managers can reduce their reliance on intuition alone and make greater use of historical data and collective learning in determining policy direction. This aligns with various journals that emphasize the importance of knowledge repositories in strengthening the accuracy of predictions and managerial considerations.

The findings also indicate that knowledge sharing is the most important component in the relationship between knowledge management and managerial decision-making. The process of knowledge sharing among employees, especially across divisions, allows managers to gain a broader perspective before making decisions. Some journals emphasize that organizations that foster a culture of collaboration can lead to more innovative and comprehensive decisions. Additionally, research indicates that technology such as digital knowledge management systems serves as an enabler, accelerating the flow of knowledge and making it easier for managers to access critical information.

The discussion also revealed that knowledge management not only influences routine decisions, but also strategic decisions such as innovation, investment, product development, and long-term planning. Organizations with high knowledge management capabilities tend to have managers who are better able to map risks and predict the long-term implications of each alternative choice. Thus, knowledge management is not merely an administrative practice, but a strategic element that enhances organizational competitiveness by improving decision quality.

## 5. Conclusion

Based on a review of ten journals, it can be concluded that knowledge management (KM) capabilities play a very important role in improving the quality of managerial decision-making. Knowledge management capabilities which encompass the processes of acquiring, storing, sharing, and utilizing knowledge have consistently proven to support managers in making more accurate, faster, and strategic decisions. Organizations that can effectively manage knowledge tend to have more regular information flow, a more comprehensive understanding of situations, and deeper analytical capabilities for decision-makers.

All the reviewed journals indicate that the systematic utilization of knowledge enables managers to reduce uncertainty, minimize the risk of errors, and enhance their problem solving capabilities. Knowledge management capabilities also strengthen the organization's ability to adapt to the dynamics of the business environment, as managers can access historical information and collective knowledge to formulate more rational and data-driven strategic policies.

It was found that a culture of knowledge sharing and digital technology support are key reinforcing factors driving the effectiveness of Knowledge management in the decision-making process. Organizations that cultivate a culture of collaboration and have adequate knowledge management infrastructure tend to make more innovative and evidence-based decisions.

Thus, this research confirms that knowledge management capabilities are an important foundation for the effectiveness of managerial decisions, both at the operational and strategic levels. Strengthening Knowledge management capabilities should be a priority for organizations that want to improve performance, strengthen competitiveness, and ensure sustainability in an increasingly complex business environment.

### Author Contributions

Conceptualization: J.A.P.S. and M.I.T.; Methodology: J.A.P.S.; Software: J.A.P.S.; Validation: J.A.P.S., M.I.T. and T.S.S.; Formal analysis: J.A.P.S.; Investigation: J.A.P.S.; Resources: M.I.T. and T.S.S.; Data curation: J.A.P.S.; Writing—original draft preparation: J.A.P.S.; Writing—review and editing: M.I.T. and T.S.S.; Visualization: J.A.P.S.; Supervision: M.I.T.; Project administration: M.I.T.; Funding acquisition: None.

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### Data Availability Statement

Data supporting the findings of this study were obtained from publicly available journal publications analyzed during the systematic review. No new data were created in this study. Additional data or analysis details are available from the corresponding author upon reasonable request.

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### Conflicts of Interest

The authors declare no conflict of interest. The funders had no role in the design of the study; in the collection, analyses, or interpretation of data; in the writing of the manuscript; or in the decision to publish the results.

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