THE ROLE OF KNOWLEDGE MANAGEMENT IN ENHANCING ORGANIZATIONAL PERFORMANCE; THE CASE OF SELECTED INTERNATIONAL NGOS OPERATING IN AT ADDIS ABABA.

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A THESIS SUBMITTED TO THE SCHOOL OF GRADUATE STUDIES OFADDIS ABABA UNIVERSITY IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTER OF ARTS IN EXECUTIVE MASTER OF BUSINESS ADMINISTRATION

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THE ROLE OF KNOWLEDGE MANAGEMENT IN ENHANCING ORGANIZATIONAL PERFORMANCE; THE CASE OF SELECTED INTERNATIONAL NGOs OPERATING IN ADDIS ABABA

A Thesis Submitted to the School of Graduate Studies of Addis Ababa University in Partial Fulfillment of the Requirements for the Degree of Master of Arts in Executive Master of Business Administration

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I, the undersigned certify that I have read and here by recommend for acceptance by the Addis Ababa University College of Business and Economics a dissertation entitled, "The Role of Knowledge Management in Enhancing Organizational Performance; the case of selected international NGOs operating in Addis Ababa" In partial fulfillment for the requirements for the Executive of Master of Business Administration.

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DEDICATION

I dedicate this book to; *my wife Yezabinesh Gebyehu; my Daughters Fikiret, EsteMariam, Adonyit and Ruhama and my son Taye*; *my brothers& Sisters; Azez Mekonnen, Birhan Mekonnen, Fikersew Mekonnen, Melsew Asemmamaw, Arewine Ayalew, Asnaku Mohammed, Akililu Tigabu and my compatriot friends and classmate.*

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ABSTRACT

Knowledge management is a process that transforms individual knowledge into organizational knowledge. The effective management of knowledge resources/components is a key imperative for firms that want to leverage their knowledge management components assets and improved performance. The aim of this paper is to show that through information technology, organizational culture and organizational knowledge can enhance organizational performance in positively way and descriptively investigated through questionnaire. Targeting population is employees of the seven international NGO operating in Ethiopia at Addis Ababa city, sample size was determined through by their employee's number that accompany with their operational activities by making peer assessment and my colleague working in organization that used to collect the data on time bases. Questionnaires is employed to collect the primary data from study participant of the four international NGOs operating in Addis Ababa within 110 employees of sample size and the data was also analyzed using manuscript analysis and direct quotation.

Therefore, the study revealed the strengths and shortcomings of the current knowledge management components practices in these selected organizations for their better efficiency and success of projects. The medium level of awareness and acceptance of the concept and practice of knowledge management by the employees of these organizations are identified as prospect by this research. In addition, owing to the lack of an overall knowledge management policy or strategy, different organization pursue the practice of knowledge management factors in their own way, with some of them barely making use of the knowledge management component system portal. This situation calls for organizational efforts to reinforce the practice of knowledge management by formulating comprehensive knowledge management policy/strategy compatible with organizational strategy, enhance the level of employee awareness regarding the concepts and benefits of knowledge management, implement formal knowledge management means and relive employees from work burden by reallocating organizational resources so as to enable them to actively take part in knowledge management element activities that improved organizational performance. Besides, rewarding effective organizational knowledge and culture activities and providing with adequate information technology infrastructure to adventure it have also vital contribution for positively effect of organizational performance.

Keywords: knowledge management, information technology, organizational culture, organizational knowledge, workforce diversity, organizational performance.

CHAPTER ONE. INTRODUCTION

1.1 Background to the Study

According to Brelade and Harman (2003) Knowledge Management (KM) is not a new concept. Managing knowledge; using it to do things better, more effectively, more aesthetically, or just differently has been a continuing feature of human societies and human culture. Organizations, in both the public and private sector, have always managed knowledge in one shape or another. What is new is the development of a separate discipline called 'knowledge management'; the development of recognized techniques and approaches for effectively managing the knowledge resources of an organization.

Wiig (1997) also agreed with the fact that knowledge management (KM) has long standing practice. As mentioned by Wigg (1997) the study of knowledge dates back to ancient Greece. Even before that, knowledge was at least implicitly managed as people performed work. Early hunters, for example learned the best skills and practices for a successful hunt. These skills and techniques transferred from one generation to the next. Uriarte (2008) pointed out KM is a relatively new discipline and therefore has a short history. As a conscious discipline, it developed from the various published work of academics and pioneers such as Peter Drucker in the 1970s, Karl-Erik Sveiby in the late 1980s, and Nonaka and Takeuchi in the 1990s. It began when the concept of a "knowledge company" was introduced in published literature.

It was only in 1995 when knowledge management in its current form first received significant attention among corporations and organizations. This came about as a result of the publication of the seminal book of Ikujiro Nonaka and Hirotaka Takeuchi titled The Knowledge Creating Company: How Japanese Companies Create the Dynamics of Innovation.

KM is a dynamic process and multidimensional in nature, encompassing information/knowledge content management, organizational aspects, information and communications technology, etc. Accordingly, any comprehensive KM strategy should take into consideration the cross-functional nature of the issue, involving broad areas of activity of the organization, from human resources management to information and technology services. Effective knowledge organizations support free flow and sharing of knowledge and information in all activities. Through Knowledge Networks and communities of practice development organizations can promote partnership, teamwork, with the free exchange of knowledge and best practices between the organization, operational partners and international agencies.

Since the 1950s, a central question in international development has been how knowledge can best be generated, mobilized, made available, applied and adapted to improve the human condition. In developmental international NGOs in Ethiopia, there is a great deal of knowledge generation albeit limited knowledge organization and structure. The two main limitations of the knowledge management functions in these organizations are systematic knowledge codification and the strategic planning and execution of knowledge dissemination to improve organizational performance. This limitation can be alleviated by putting in place an effective knowledge management component initiative. This research intends to assess the state of knowledge management components practices improving organizational performance in selected international NGOs operating in Ethiopia.

1.2 Statement of the Problem

Even though KM concept is well known, scholars, practitioners, and others in the field of business management are still debating the concepts and definitions related to knowledge management (Martin, 2005). In general, little empirical research has been conducted to investigate the relationship between KM and performance (Kalling, 2003; Zack, et al., 2009). In an organization where there is lack of proper knowledge management two main problems will be highlighted: organizational memory loss and brain drain. Organizational memory loss occurs when one part of the organizational brain is oblivious to the knowledge that other parts possess. Memory loss is also noted when the same department or division forgets the knowledge it gained from previous experiences or projects. Thus, organizations tend to reinvent the wheel every time a new, yet in many respects similar, project is undertaken. This also means the organization will repeat the same mistakes, given that it has not learned from previous experiences. The brain drain, happens wherein valuable knowledge resources are lost with employees leaving the organization (Al-Ali, 2003).

The primary goal of KM initiative is to creation, codification and sharing knowledge more efficiently inside an organization. Bartholomew (2008) point out that "In practice, 'knowledge management systems' often turn out to be little more than old information management systems rebranded with a fashionable name, or a collection of procedures and Information and Technology tools that hardly anyone uses. It is hardly surprising that many initiatives fall short of high aspirations such as 'making the best use of the knowledge the organization has got."

In addition, absence of Knowledge Sharing policy/strategy to guide Knowledge sharing challenges the success of Knowledge sharing initiatives. Al-Ali (2003) pinpointed that strategy is the mind of an organization; without it, the organization's actions will lack direction, consistency, and hence impact. It is highly probable that leadership's failure to adopt knowledge strategies suited to their business needs is the cause of the setback of many KM initiatives. Knowledge strategies define how KM will be used to sustain the organization's competitive performance by creating new knowledge.

The practice of KM is a recent phenomenon in Ethiopia. So far, only limited local researches were conducted in KM share area in hospitals, banking and airline industries. However, as per the knowledge of the researcher, there is no research conducted on the area of KM locally when it comes to the humanitarian emergency organizations. In addition, their focus was on service giving private or governmental organizations and hence the researcher identified a gap in revealing the practice with the humanitarian sector. Hence, this study aimed to look into the practice of KM influencing organizational performance in a selected international NGOs operating in Addis Ababa.

External sources of knowledge obtained from prior education and work experience are the most widely mentioned source of knowledge by the employee of international NGO's, Ethiopia. Whereas, the practice of using internally produced source for knowledge and sharing knowledge among employees is minimal due to high repositioning of employees between international NGOs and UN. This leads the organization to lose its internally produced knowledge when the knowledge of employees walks out of the door with them at the time they leave the organization. Employees may also lose the chance to amplify and expand their knowledge through the knowledge sharing process

In order to provide insights on how selected international NGO should manage talent of workforce's diversity to their organizational culture, information technology and organizational knowledge in the best possible way to accomplish better organizational performance, a number of questions can be addressed. The previous study considers information technology as an antecedent factor to other knowledge management components in summarizing of link for maturity of KM components. (Rasula et al., 2012). However, IT could be considered as one of the component of knowledge management components that influence organizational performance. So, investigating a framework where IT is part of the KM components for performance enhancement of organization. This study focus on capturing the influence of IT as KM components.

Henceforward, the researcher study intended to look into KM elements has direct enhancement on organizational performance by the endowment diversity of employees within selected international NGO operating in Ethiopia at Addis Ababa.

The following are the main research questions of this study

1. Does organizational culture influence the performance of selected international NGOs operating in Addis Ababa?
2. Does information technology influence the performance of selected international NGOs operating in Addis Ababa?
3. Do organizational knowledge practices influence the performance of selected international NGOs operating in Addis Ababa?

1.3 Objectives of the Study

The general purpose of this study is to assess the role knowledge management in enhancing the organizational performance of selected international NGO operating Ethiopia at Addis Ababa city.

The following specific objectives guide the study:

- To test whether the organizational culture influences the performance of selected international NGOs operating in Addis Ababa.
- To test whether information technology influence the performance of selected international NGOs operating in Addis Ababa.
- To test whether the organizational knowledge practices influence the performance of selected international NGOs operating in Addis Ababa.

1.4 Significance of the Study

The study aims to assess the Knowledge management component practice influencing of performance with international NGO, Ethiopia. By considering the practices of KM components enhancing performance in selected international NGOs operating in Ethiopia, this thesis anticipated three contributions.

The findings of this research could contribute to the need for research to discover how KM elements can support the efficient and effective management of humanitarian organizations. This in turn could encourage managers of humanitarian emergency organizations to consider better ways of implementing KM components strategies to exploit the benefits further improving performance. Findings of this research work

can be used for further review and study of the subject of knowledge management by NGOs. Finally, the outcome of this study could be used for future researchers or students who may be interested in carrying out more research in this area and it will also serve as reference materials for students, managers or organizational structures for the management of knowledge as a resource.

1.5 Scope and Limitations of the Study

Knowledge management is managing the corporation's knowledge through a systematically and organizationally specified process for acquiring, organizing, sustaining, applying, sharing and renewing both the tacit and explicit knowledge of employees to enhance organizational performance and create value (Davenport and Prusak, 1998). However, the scope of the study is limited to organizational culture, information technology and organizational knowledge behaviors of employees for enhancing organizational performance of selected international NGO in Ethiopia operating at Addis Ababa. The result of the research would be more comprehensive if it is conducted widely by including few other international NGO and UN agencies operating in Ethiopia. The fact that the questionnaires are self-administered and structured may also affect the quality of the data. Time constraints were also encountered while conducting questionnaires with the international professional managers and employees, as most of them did not have time for a broadly questions as of seen this year drought affected large area of the country. Besides, since this research is limited to Addis Ababa, the findings of the study cannot be generalized somewhere else.

1.6 Definition of Key Terms

The following are operational definition of terms.

Terms	Definition
Knowledge Management strategy	A detailed plan outlining how an organization intends to implement KM principles and practices to achieve organizational objectives.
Knowledge Sharing	An activity through which knowledge (i.e., information, skills, or expertise) is exchanged among people, friends, families, communities or organizations.
Knowledge Utilization	Concerned with using and applying knowledge to organizational functions or business processes.
Knowledge Management Practice	The practice of creating, sharing and leveraging knowledge within an organization to achieve increased efficiency and/or profitability. It involves the management both of external links and of knowledge flows within the organization.
Knowledge Flow	The way that knowledge moves through an organization or between organizations.
Knowledge	A fluid mix of framed experience, values, contextual information, and expert insight that provides a framework for evaluating and incorporating new experiences and information,
Trust	The degree to which an employee believes that sharing knowledge will benefit them, the degree to which they trust the knowledge of their coworkers, and the belief that they will not be exploited by any party in the organization.
Knowledge Codifying	Serves the pivotal role of allowing what is known in the organization to be shared and used collectively. By converting knowledge into a tangible, explicit form such as a document, knowledge can be communicated much more widely and with less cost
Knowledge creation	Knowledge can be acquired from any type of consumers as well as through direct interaction with customers either by mails, questionnaire, interviews, phones, contacts at fairs, etc.
Externalization	Process of conversion tacit to explicit knowledge.
Internalization	Process of embodying explicit knowledge to tacit knowledge.

1.7 Organization of the Paper

This paper is organized into FIVE chapters. The first chapter is about the background of the study, statement of the problem, objective of the study and scope and limitation of the study. The second chapter focus on different write up of scholars which will be considered, literature reviews and various theories in the field of knowledge management and performance management and measurements will be sited. The third chapter discusses the methodologies and procedures followed for the data collection and interpretations. The fourth chapter presents the study findings, analysis and presentation of the results. The fifth chapter brings to an end of this survey research with conclusion and recommendations.

Finally, the annex part contains the questionnaire and the references.

CHAPTER TWO. REVIEW OF RELATED LITERATURE

2.1 Theoretical Review

2.1.1 Concept of Knowledge Management (KM)

KM has been defined in different ways and from different aspects; interestingly, no sole definition can explain the whole picture, as different authors viewed KM from several perspectives, which dictates the way they define it. However, the study of knowledge dates back to ancient Greece. Even before that, knowledge was at least implicitly managed as people performed work. Early hunters, for example learned the best skills and practices for a successful hunt. These skills and techniques transferred from one generation to the next. This illustrates the transfer of knowledge, a KM activity (Wiig, 1997). The actual study of KM as a separate discipline is much more recent. Like the study of communication, it has roots in many other areas of study - business, management, sociology, and economics to name just a few.

Knowledge Management (KM) refers to a range of practices and techniques used by organizations to identify, represent and distribute knowledge, know-how, expertise, intellectual capital and other forms of knowledge for leverage, reuse and transfer of knowledge and learning across the organization. It suffices crucial issues on organizational adaptation, survival and competence threatened by unpredictable environmental change. (Sunil Kumar Agrawal, 2013). Knowledge management is the set of proactive activities to support an organization in creating, assimilating, disseminating, and applying its knowledge. Knowledge management is a continuous process to understand the organization's knowledge needs, the location of the knowledge, and how to improve the knowledge. Knowledge management involves a strategic commitment to improving the organization's effectiveness, as well as to improving its opportunity enhancement. The goal of knowledge management as a process is to improve the organization's ability to execute its core processes more efficiently. Davenport et al. (1998) describes four broad objectives of knowledge management systems in practice: create knowledge repository, improve knowledge assets, enhance the knowledge environment, and manage knowledge as an asset. The key to knowledge management is capturing intellectual assets for the tangible benefits for the organization. As such, imperatives of knowledge management are to:

1. Transform knowledge to add value to the processes and operations of the business leverage knowledge strategic to business to accelerate growth and innovation
2. Use knowledge to provide a competitive advantage for the business.

The aim of knowledge management is to continuously improve an organization's performance through the improvement and sharing of organizational knowledge throughout the organization (i.e., the aim is to ensure the organization has the right knowledge at the right time and place).

2.1.2 Relation of Knowledge management (KM) and organization

Knowledge management is the set of proactive activities to support an organization in creating, assimilating, disseminating, and applying its knowledge. Knowledge management is a continuous process to understand the organization's knowledge needs, the location of the knowledge, and how to improve the knowledge. (Sunil Kumar Agrawal; 2013).

The literature review shows there are a great number of critical success factors for KM. Edwards, (1994) papers contributes to the knowledge management research field through understanding those factors, their interrelation and the role of information technology in achieving a better business performance. What is knowledge management? As an introductory step, it is useful to distinguish between raw information and knowledge (Edwards, 1994). Raw information may be widely available to several agencies, but only some organizations will be able to convert the information into relevant knowledge and to use this knowledge to achieve their aims. The processes by which they do this are known as KM strategies. In the section below on KM in the corporate sector, a further distinction will be made between first and second generation KM strategies. While the first generation focused on systematizing and controlling existing knowledge and knowledge sharing within an organization, the second- generation KM strategies have shifted towards enhancing the conditions for innovation and knowledge creation (McElroy, 2000).

2.1.3. Enablers of Knowledge Management

The success of KM implementation will not take place without the collective work of various enablers in the organizations. Per Yang et al., (2006), KM enabler refers to the key factors that determine the effectiveness of executing KM within the organization. KM enablers among others include the extent that the management believes in KM effects, IT used, HR management and the culture of the organization (Al-Mabrouk, 2006). In fact, any KM system will include these variables to make knowledge related organizational functions practical. To ensure the success of KM implementation, it is crucial to acquire the key enablers. To make it possible for effectively utilizing an organization 's limited resources, reduce the use of work force, material, time and still be able to achieve the expected results.

For effective KM to take place, organizations should create conducive KM environment. In addition, organizations are required to improve the organizational culture that enhance collaborative teamwork culture; network and virtual organization; learning, research and discovery culture. Moreover, organizations should give encouragement and promotion for creativity rather than mere adaptation and emphasis on leadership roles rather than administrative position (Alavi and Leidner, 1999).

Organizational enablers: The first phase of implementing KM is working to gain the support of the senior managers and to reach a common understanding about the concept of KM. An organizational structure reflects the organization 's policy in discussing with its employees and in absorbing new ideas and experience within and outside its capacity (Alrawi and Elkhatib, 2009). Organizations have to maintain a balance between intrinsic and explicit rewards to encourage employees 'behavior of knowledge system (KS).

The most effective use of explicit rewards has been to encourage sharing at the onset of a KM initiative (Hasanali, 2002). Adequate training in KM implementation enabled by adequate technology and people who knows how to use it. Financial support, human resources and time are significant resources for successful KM adoption. Financial support is undoubtedly required if an investment in technological capabilities is made. Human resources are required to coordinate and manage the adoption of KM process, as well as to take up knowledge related roles (Al-Mabrouk, 2006).

Corporate culture: In the process of carrying out KM, enterprises have to face the varying conditions of corporate culture, workflow processes and the integration of group members' knowledge (Yeh, 2006). According to Yeh (2006), corporate culture is the combination of value, core belief, behavioral model and symbol. It represents the value system of the company and will become the employees' behavior and norm. Corporate culture is the important part in forming a culture of knowledge sharing (KS). It might need to be supplement by IT. Thus, management should promote the corporate attitude that focuses on co-operation and KS across the organization.

Process enablers: Many authors have suggested several activities or processes associated with KM implementation in the organization (Alavi and Leidner, 1999). Thus, it is important that organizations to adopt a process-based view to KM based on the structure and infrastructure of the organization context.

Technology enablers: Technology is a basis for effective KM progress and implementation in organizations (Hasanali, 2002). IT is a vital factor to support the process of storing and distributing knowledge for sharing

among employees. Technology provides tools and techniques to capture, create structure, communicate and effectively exploit knowledge. The main role of technology is an enabling and facilitating interaction among people for the purpose of KS (Handzic et al., 2004). When we say technology, it includes e-mail, bulletin boards, chat rooms and whiteboards, audio and video-conferencing. It also covers various specialized groupware applications: Customer Relationship Management (CRM), data mining, integrated portals, e-learning, intranets and extranets (Handzic et al., 2004 and Malhotra, 2005)

2.1.4 Components of Knowledge Management

Knowledge management has three components. They are: (1) information technology (the ability of technology to capture knowledge and usage of information systems), (2) organizational culture (people, organizational climate and processes), and (3) organizational knowledge (knowledge accumulation, utilization, sharing practices and knowledge ownership identification). The understanding of these knowledge management factors, acts as a basis in determining the type of knowledge management components strategies and initiatives for an organization enchantment of performance.

2.1.4.1 Organizational knowledge

Successful knowledge management applies a set of approaches to organizational knowledge including its accumulation, utilization, sharing and ownership. *Accumulation*: the higher the effectiveness of knowledge accumulation (internal, external; through internalization or externalization) in an organization, the greater the KM effect;

Utilization: the higher the effectiveness of utilizing the (existing) knowledge in an organization, the better the KM result;

Sharing: the improvement of sharing of knowledge (formal or informal) affects the KM positively;

Strategic management literature suggests that organizational knowledge is a source of sustainable competitive advantage and superior performance. This perspective has led to the development of the knowledge-based view of the firm, which is an extension of the resource-based view of the firm (Choo and Bontis, 2002). Rather than seeing organizations as systems that integrate the use of all kinds of physical, financial and human resources, knowledge base view of the firm emphasizes the organization as a site for the development, dissemination and use of knowledge and other forms of intellectual resources to create

competitive advantage. Thus, knowledge-based view of the firm holds that performance differences between organizations are a result of their differing capabilities in creating and utilizing knowledge.

Knowledge management strategy is a relatively new concept in knowledge literature. Knowledge strategy refers to the overall approach an organization intends to take regarding the focus of its resources on two knowledge domains: knowledge exploration and knowledge exploitation (March, 1991). Thus, knowledge strategy describes a firm's strategic choice on whether the firm focuses more of its resources on knowledge exploration, which deals with the creation, discovery or acquisition of new knowledge; or knowledge exploitation, that is incremental refinement or reuse of existing knowledge. Knowledge exploration is more innovation-oriented and knowledge exploitation aims at attaining efficiency (Levinthal and March, 1993).

Despite the theoretical link between knowledge strategy and organizational performance, empirical studies testing the relationship is scanty. Further, the few empirical studies that have been conducted to examine the linkage between knowledge strategy and organizational performance have been conducted in developed and developing countries. Developing an effective KM system in an organization is related to the appropriate organizational strategies. Without strategies of capturing knowledge organizations might face problems in acquiring right information. Hence, today most organizations consider KM as a key strategy for them to survive and to be competitive (Hwang 2003). Appropriate strategies should be made allowing sufficient link between KM and the corporate strategy (Lang, 2001). Strategies such as knowledge creation strategy, knowledge transfer strategy and customer focus strategy are some of the strategies which organizations consider as KM adopting strategies (Wiig, 1997; Manasco, 1996). KM is also considered as a strategic resource, giving competitive advantage and acting as a driver for implementation of an organizational strategy. Understanding the link between KM and organizational performance helps implementation of KM into organizational strategy (Carlucci and Schiuma, 2006).

2.1.4.2 Organizational Culture

Organizational culture consists of the shared values and beliefs that give members of an organization meaning and provide them with rules for behavior. The culture of an organization is seen in the norms of expected behaviors, values, philosophies, rituals, and symbols used by its employees, and it evolves over a period. (Mathis and Jackson, 2010). Organizational culture has a great contribution to knowledge management because culture determines the basic beliefs, values, and norms regarding the why and how of

knowledge generation, sharing, and utilization in an organization. An organization can achieve a competitive edge by creating and using knowledge about its' processes and by integrating its' knowledge into business processes.

When one treats KM in terms of compliance, it gives the impression that there is a top down, tiered division of labor, under which only part of the organization is responsible for learning, and another part is responsible for providing information for harvesting and generating knowledge. In reality, however, successful KM depends on every individual embracing their role as a 'knowledge citizens' whose value proposition to the organization is the extent to which s/he is engaged in the entire knowledge cycle: keeping oneself abreast of, process and aggregate evidence, innovations and developments in one's subject matter area, sharing on-going work, questions and learning points with peers and actively injecting oneself in conversations to shape development thinking, policies and solutions. This is explicitly not an internal and compliance-driven process, but requires an open and external view that builds on soft incentives such as mutually beneficial peer support, reciprocity, reputation, career development and individual professional learning in the public realm of the development sector. (UNDP, 2014)

Adoption of KM in an organization is not a complicated process because employees are one way or another, already got into the habit of using undefined KM in their daily official undertakings. Thus, organizational culture is at a close position to assimilate KM. During KM adoption within an organization, cultural setting must be a concern in the context of the ability and acceptance by the employees (Gumbley, 1998). Furthermore, the approach of adopting KM is somewhat extent related to the internal culture of organization. Therefore, when organizational cultures are rigidly bureaucratic, interactions are formal and hierarchical with limited participation that leads to the exchange of knowledge within a paradigm that is forced from the top management (Lang, 2001). Per Drucker (1998), knowledge is more concentrated in service staff; knowledge tends to be floating between the top management and the operational staff. The culture must be changed to infuse knowledge at all levels of the organization to obtain efficient human resource. Hence, to make KM effective, organizations need to adopt such a culture which provides an environment of sharing knowledge to accelerate success of organizational performance (Robbins, 2003).

2.1.4.3. Information Technology

Technology is an important aspect to successfully organize and share knowledge. With the help of technology, organizations can build the infrastructure and tools to support the expansion of KM (Mathi, 2004). IT facilitates organizations to use knowledge for organizational efficiency and effectiveness (Lang, 2001). Furthermore, IT provides suitable environment for learning and interaction among the employees of an organization. Systems like expert systems are used in organizations to capture and manage knowledge (Gumbley, 1998). However, Gumbley (1998) states that although the technologies exist to manage knowledge, technology is not the key success factor in creating a successful KM environment in organizations. Davenport and Prusak (1998) supports them by arguing that the emphasis on the role of IT in KM is somewhat exaggerated (Hwang 2003; Davenport and Prusak, 1998). However, the above studies reveal that KM could partially accelerate obtaining competitive advantage for an organization by assimilating the skill and application of IT knowledge. IT knowledge is a key tool to facilitate KM practice in organization for better performance.

The value that knowledge management adds lays in increasing individual, team and organizational efficiency through the use of knowledge management tools, that is, information technology. Information technology component of the knowledge management by and large means: a) *Capturing knowledge:* the higher the level of capturing knowledge (explicit or tacit) with information technology tools, the better the KM result; and b) *Usage of IT tools*: the higher the quality of tools, quality of information, user satisfaction, usage and accessibility, the greater the KM effect on organizational performance.

KM tools run the gamut from standard, off-the-shelf e-mail packages to sophisticated collaboration tools designed specifically to support community building and identity. Generally, tools fall into one or more of the following categories: knowledge repositories, expertise access tools, e-learning applications, discussion and chat technologies, synchronous interaction tools, and search and data mining tools.

There is a difference between information and knowledge management. Information and information management focuses on the collection, structuring and processing of data. Reliable and timely data is important for effective knowledge management, but it is only one part of the picture. Knowledge management may be derived from information, but it also implies an analysis of the information and data and an understanding of that analysis. It also enables the application of that understanding in future

practice. This last point is critical. It is not enough for an organization to simply 'have knowledge'; it must be able to harness and apply that knowledge to bring better results.

In the age of e-economy, business organizations need to reconsider the process of doing business as well as incorporating KM practices into it to be more competitive. Mathi, (2004) and Awad and Ghaziri (2004) support this statement by saying that KM is the ultimate competitive advantage for today's organizations. KM is embedded in many key areas such as economics, information management, and business environment and in the human psychology. In addition, Hwang (2003) in his article quotes Leonard (1995) "Managing knowledge is a skill, like financial acumen, and managers who understand and develop it, will dominate competitively". To create a KM environment and to be competitive organization, it is necessary to choose the appropriate desirable environment in which the organization can adopt the changing concepts (Nonaka, 1998). Assimilation of KM and adopting a culture that supports knowledge sharing can bring change in organizational performance (Hwang, 2003; McHugh et al., 1995).

The overall objective of knowledge management is to create value and to leverage, improve, and refine the firm's competences and knowledge assets to meet organizational goals and targets of performance. Implementing knowledge management thus has several dimensions including: a) *Organizational:* The right processes, environments, culture, and systems, b) *Managerial:* The right leadership, and strategy, and c) *Technological:* The right systems, tools, and technologies - properly implemented. Political: The support to implement and sustain initiatives that involve virtually all organizational functions; that may be costly to implement (both from the perspective of time and money); and which often do not have a directly visible return on investment (Sunil Kumar Agrawal, 2013).

2.2. Knowledge Management Models and processes

Many models and processes of KM covering a wide spectrum of viewpoints exist in the literature. Notable among these are (1) Nonaka and Takeuchis'(1995) model which represents a knowledge creation process; (2) Boisot's (1987) model which considers knowledge as either codified or uncodified and diffused or undiffused; and (3) Demerests (1997) model which highlights the construction of knowledge within the organization not limiting the process to scientific approach alone but also involves the social construction of knowledge. Table 1 shows the relationship between the capture, sharing, reuse and maintenance of knowledge as illustrated by Tan et al. (2006).

Table 1. Shows the relationship between the capture, sharing, reuse and maintenance of knowledge (Tan et al., 2006).

Knowledge Sharing	How does informal discussion help you solve project problems? Do your work colleagues play vital roles in helping you come to know your job very well? Are there times when you help other colleagues with information on a problem? Do you belong to any informal groups in your project? Do you rely on your project group for information and career goals? What are the external sources of personal improvement available to you?
Innovation	Do you come up with new ideas and ways of doing things during discussions? What are your views about group discussions as relating to sharing information with colleagues on the project? Would you say this helps generate new ideas for your project? Since belonging to the project have you witnessed significant changes in the way you work? What major achievements and significant changes have happened on the job because of interaction with colleagues?
Completio n times	Do you feel your project completes its assignments on time? Explain and give reasons. What factors do you think are responsible for your project completing on time? Do you think an increase in your understanding of the project activities and tasks through sharing knowledge helps your complete tasks and the project on time?
Project Success	What roles do knowledge sharing and management play in helping your project succeed? Is knowledge sharing a major factor in your project ‘s success? If the project is a failure, why do you think it failed? Are there certain processes within the project that failed, or plans which failed to be executed and what do you think was responsible for this failure?
Generation of new Knowledge	In your estimation, how does your project or project group generate new knowledge? What factors would you say are responsible for new ideas in your project? Do you feel you have learnt a lot by sharing knowledge and discussing with colleagues since joining the project? How has this helped you in solving project problems?
Operational Efficiency	Do you think your project operates at maximum capacity because of sharing knowledge? Does sharing knowledge with colleagues help you utilize staff and resources effectively? Please explain

According to Table 1, knowledge capture encapsulates identifying and locating knowledge and knowledge representation involves storing and validating knowledge. Knowledge sharing deals with the transfer of

knowledge to the right people at the right time (Robinson et al, 2001). Knowledge transfer is a transactional process involving the exchange of information between people. Information can be exchanged through media such as computers, word of mouth, writings, visuals and audio. The next step in the knowledge process is knowledge reuse. This process involves adapting and applying knowledge gained for problem solving. Ideas could be reused and applied for innovative ends through developing such ideas fully and re-conceptualizing the problems they are meant to solve. In this way, there is a continual flow of knowledge in a cycle leading to use and reuse and in each scenario; the knowledge adapted and used emerges in a different and improved form. Knowledge reuse leads to its maintenance which relates to archiving and retiring for subsequent use. It also involves updating and refining it to keep abreast of developments in the area (Oluikpe, et al., 2011). The following are basic aspects of such a model:

Compatibility: Knowledge management requires both a shared language and a good fit with concepts that already exist in the organization, such as Total Quality Management or Business Process Reengineering.

Problem Orientation: Knowledge management must contribute to the solution of concrete problems; it must not be allowed to remain theoretical. The ultimate test of ideas is their usefulness in practice.

Comprehensibility: The Company must choose terms and ideas of knowledge management that are relevant to its success and readily understood across the company.

Action Orientation: Analyses in the field of knowledge management should enable managers to evaluate the impact of their instruments on the organizational knowledge base and should lead to focused action.

Appropriate Instruments: Focused interventions need proven instruments. The final goal of a knowledge management concept is to provide a range of such instruments. But the kinds of tools employed are less important than their skillful use.

2.3. Linking Knowledge Management to Organizational Performance

Organizational performance is described as an organization's ability to acquire and utilize its scarce resources and valuables as expeditiously as possible in the pursuit of its operations goals (Griffins, 2006). There has not been many research done to link organizational performance and KM, but researchers have implicated that the more knowledge organizations can capture the higher is their performance. Managing knowledge does not necessarily improve performance, but the knowledge managed should be linked to utilization and development of an organization to gain better performance (Kalling, 2003). Although the

concept of KM is well-known, only a small number of organizations are capable to link KM to enhance organizational performance (Zack, 1999). Iksan and Rowland (2004), report that organizations should can transfer knowledge from one unit to another to gain an overall performance. The ability to apply knowledge to perform important activities is viewed as a source of competitive advantage. When knowledge is managed to improve development and subsequently utilized by individuals, only then KM can be used to improve performance. Farshath (2004) concluded his study stating that Maldivian organizations are aware of the concept of KM to some extent and is moving towards better implementation of KM but the extent to which KM is practiced has never been a subject of research in the country. If NGOs develop a sustainable link between KM and their activities, it is possible for them to capture the knowledge of volunteers.

2.3.1. Performance Measurement

Performance management is a strategic and integrated approach to delivering sustained success to organizations by improving the performance of the people who work in them and by developing the capabilities of teams and individual contributors" (Armstrong and Baron, 1998). It supports the rationale that people and not capital provide organizations with a competitive advantage (Reynolds and Ablett, 1998).The purpose of performance management is to transform the raw potential of human resource into performance by removing intermediate barriers as well as motivating and refreshing the human resource (Kandula, 2006).Competitive capacity of organization can be increased by building strong people and effectively managing and developing people (Cabrera and Banache, 1999) which is in essence performance management

A major concern for many organizations is the need to prove that KM adds any value to production processes. At first, traditional accounting and measurement systems were drawn on to demonstrate the increased efficiency that followed from KM applications. However, there were some significant problems attached to these traditional systems. Most importantly, they related to tangible inputs and outputs, and were not well equipped to deal with knowledge as an intangible asset. In addition, traditional measurement systems tended to emphasize costs (to the company's production figures) rather than use or added value (to the company's strategy). Lately, therefore, a few businesses have been moving towards accounting and measurement systems that capture not only potential increases in production derived from KM, but also increases in intangible assets and strategic advantage (Ahmed and Zairi, 2000). One of the companies

furthest down this road is Skandia, which has appointed a Director of Intellectual Capital who compiles and presents metric indicators of the company's intellectual capital in the annual figures (Marchand, 1998).
Both the traditional measurement systems and the later, more strategically-oriented measurement models are focused on assessing KM through metrics. Performance measurement even when dealing with intellectual capital, as in Skandia, is defined as 'the systematic assignment of numbers to entities' (Ahmed and Zairi, 2000: 258). This makes it possible to convert uncertain processes into a scale that measures more certain figures of assets, competencies, efficiency, and profit and loss.

2.3.2 Performance Measurement and Management Practices in NGOs

In the past, the work of NGOs was based mainly on ethical-social motivation and technical professionalism through the participation of physicians, doctors, nurses, engineers, etc. Most of NGOs were involved in international cooperation for development, natural disasters and humanitarian emergencies. Nowadays and in the future, the ethical-social motivation and technical professionalism are not sufficient since NGOs need to evaluate how the limited financial and non-financial resources can be efficiently and effectively utilized. Furthermore, the nature of the working environment of NGOs forces these organizations to assess and enhance their strategies and performance. In fact, the working environment of NGOs is dynamic and risky and the overall effectiveness of these organizations requires meeting the various demands of stakeholders through building realistic performance measurement and management systems. To guarantee success, NGOs first must develop and implement effective systems of managing and measuring their performance. NGOs are required to manage and evaluate their performance from multiple perspectives, considering the projects/programs performance, the agenda of donors, the needs of beneficiaries and the internal effectiveness. Nevertheless, the concept of NGOs performance has been defined in different theoretical frameworks and used for different managerial processes (Mohammed Abo Ramadan and Elio Borgonovi, 2015).

In the performance measurement and management literature of NGOs, the significance and advantages of utilizing performance measurement and management to different organizational management structures, techniques and processes have been broadly proved (Teelken, 2008). The literature reveals theoretical frameworks and empirical investigations that exhibit the necessity of performance measurement and management to strategy at all levels, organizational transparency, organizational objectivity, organizational learning, efficiency, performance enhancement and effectiveness. Measuring and managing performance in

NGOs is not only a tool of planning that assists these organizations to assess their impact, outcomes and outputs. It can be likewise regarded as a strong instrument for inward feedback and learning. It thus seems to be the main way to effectively process and handle information within NGOs and to disseminate it to the concerned stakeholders such as targeted communities, partners, donors and other public local governments.

The concept of performance measurement and management in NGOs is extremely vital since it concentrates these organizations in the use of the performance information in their decision- making framework. This implies that managing and accessing the performance is a pre-requisite for NGOs strategic planners to improve their functions. Moreover, it is closely associated with the budgetary system inside NGOs since these organizations are fundraising-oriented. A further reason of the necessity of performance measurement and management in NGOs is the need for transparency and accountability toward different stakeholders. This is since there is a sort of pressure from stakeholders on NGOs to demonstrate how they perform their operations.

In the literature that focuses on NGOs performance, many authors offered several definitions of measuring performance. For instance, Poister (2003) mentioned that performance measurement is a method of identifying, controlling and utilizing different objective measures of the organization's performance and its programs on regular basis. Furthermore, Lindblad (2006) considered performance measurement as the utilization of objectives, indicators and information to assess NGOs interventions and services. Ferreira and Otley (2009) treated it as a mechanism of assessing people, teams and the overall organization. Miller (2007) viewed performance measurement as a program assessment method that evaluates efficiency and effectiveness of a program and its impact. Carman (2007) claimed that performance measurement is a systematic evaluation of a program's outputs, inputs and impacts. Still, there has been always little consensus over how to define and measure performance in NGOs since these organizations have unclear goals and uncertain relationship between programs' activities and outcomes (Newman and Wallender, 1978; Kanter and Summers, 1987). Performance of NGOs has been defined by Pfeffer and Salancik (1978), Kanter and summers (1987) as the demonstrated ability to acquire the necessary resources for organizational survival. Nevertheless, acquiring the necessary resources for survival is not the only dimension of measuring NGOs performance. Kareithi and Lund (2012) argued that the primary mission of these NGOs is focused on goals desired by their targeted beneficiaries and their communities, so the performance of these organizations should be assessed by their effectiveness and efficiency to achieve mutually identified social goals. One important part of NGOs performance

measurement, that has been a concern for a long period, is to understand the appropriate indicators that should be considered when measuring and evaluating NGOs performance (Herman and Renz, 1999; Gill et al., 2005).

The research on NGOs performance measurement examined two main issues: internal indicators and external indicators. According to Argyris (1964) and Bennis (1966), the internal indicators of measuring NGOs performance are related to "Organizational Health". These indicators concern the financial performance of NGOs including access to funding, budgeting efficiency, expenses and costs (Ritchie and Kolodinsky 2003; Gill et al., 2005). On the opposite, the external indicators address the link between the NGO and the environment. For instance, Yuchtman and Seashore (1967) proposed a system resource framework which defines NGOs performance as the capability to derive benefits from the surroundings toward the best acquisition of the financial needs and requirements for their survival. Their framework is based on the idea of NGOs ability to sustain a good connection with the environment (Miles, 1980; Boschken, 1994).

In general, NGOs can assess their performance through creating performance indicators and then gathering information related to these indicators. Carman (2007) saw that the most utilized performance indicators by NGOs incorporate efficiency, effectiveness, fundraising, costs, audits and beneficiaries' satisfaction. Teelken (2008) used four performance indicators to evaluate NGOs operations: efficiency, effectiveness, economy and efficacy. Similarly, Fine and Snyder (1999) stressed that performance measurement in NGOs includes identifying and assessing indicators which mainly address efficiency and effectiveness. Ammons (1996) introduced two more indicators that are productivity and workload. Benjamin and Misra (2006) mentioned that measuring performance in NGOs should look at inputs, outputs, outcomes and impact. Fine and Snyder (1999) defined the relationship between inputs utilized and outputs achieved as efficiency, while effectiveness is considered as a measure used to determine up to what extent is an organization achieving its planned goals and targets. Other authors relied on the notion "outcomes" to refer to effectiveness. For instance, Morley et al. (2001) defined outcomes as a certain result or quality of an organization’s program or project. Efficiency is the optimal use of financial and other non-financial resources (labor, time and expertise) to achieve the planned results. It is the extent to which a program has converted or is expected to convert its resources/inputs economically into results to achieve the maximum outputs. Usually the relationship between input measures and output measures produces efficiency. The inputs measures track mainly a program or project's inputs such as staff, time and funds, while the output

measures are results generated from the utilization of a program's inputs mainly related to the number of beneficiaries served and number of products provided in comparison with the planned objectives of that program. On the other hand, outcomes or effectiveness measures refer to those indicators that explain a qualitative difference in the lives of the beneficiaries targeted by an NGO or its intervention (Lindgren, 2001). In other words, it mainly examines the extent to which the stated objectives of a program have been met. (Zimmerman and Stevens,2006). These measures include participation of the stakeholders and beneficiaries' satisfaction. Beneficiaries' satisfaction measures give another vital mean for assessing NGOs performance and may serve as one outcome or one indicator of effectiveness. Niven (2008) said that beneficiaries' satisfaction can be measured through access, timeliness, selection and availability. Finally, the impact performance addresses the extent of achieving the overall objective of a program (such as community building, sectors development, standard of living and changes in people life). The impact usually considers the long-term consequences of achieving objectives and bigger socio-economic change. It tries to identify the whole influence of a program or intervention on communities or people outside the immediate targeted beneficiaries.

2.4. Empirical Literature Review

Knowledge-based theory of the firm by Grant (1996) explained certain premises regarding the nature of knowledge and its role within the firm. The theory explains the rationale for the firm, the delineation of its boundaries, the nature of organizational capabilities, the distribution of decision-making authority and the determinants of strategic alliances. According to Sveiby (2001), people can use their competence to create value by transforming and converting knowledge externally or internally to the organization they work for. The theory describes knowledge as a vital source of competitive advantage.

The level of knowledge available in a workforce is not enough to influence organization’s processes, but its integration into production is the key to competitive advantage. It shows that boundaries and governance structures are determined by the value to be derived from using employees’ knowledge. The competitive advantage therefore is dependent on the firm’s ability to continuously configure and integrate knowledge into value creating strategies. To put it short, possession of knowledge is not enough but its integration, transfer and re-use are essential to derive a competitive advantage for the organization. Knowledge is not created and held by organizations but by individuals. The knowledge is then applied by firms in the production of goods and services. Therefore, management is burdened with the

responsibility through the organization's practice to help tap into employees' knowledge and successfully transfer it to the organization for optimal productivity and profitability. The organizational practice focuses on factors that are included in this process (Morrison, 1992)

In the age of e-economy, business organizations need to reconsider the process of doing business as well as incorporating KM practices into it to be more competitive. Awad and Ghaziri (2004) support this statement by saying that KM is the ultimate competitive advantage for today's organizations. KM is embedded in many key areas such as economics, information management, business environment and in the human psychology. In addition, Hwang (2003) in his article quotes Leonard (1995) "Managing knowledge is a skill, like financial acumen, and managers who understand and develop it, will dominate competitively". To create a KM environment and to be competitive organization, it is necessary to choose the appropriate desirable environment in which the organization can adopt the changing concepts (Nonaka, 1998). Assimilation of KM and adopting a culture that supports knowledge sharing can bring change in organizational performance (Hwang, 2003).

Technology is an important aspect to successfully organize and share knowledge. With the help of technology, organizations can build the infrastructure and tools to support the expansion of KM (Mathi, 2004). IT facilitates organizations to use knowledge for organizational efficiency and effectiveness (Lang, 2001). Furthermore, IT provides suitable environment for learning and interaction among the employees of an organization. Systems like expert systems are used in organizations to capture and manage knowledge (Gumbley, 1998). However, Gumbley (1998) states that although the technologies exist to manage knowledge, technology is not the key success factor in creating a successful KM environment in organizations. Davenport and Prusak (1998) supports them by arguing that the emphasis on the role of IT in KM is somewhat exaggerated (Hwang 2003; Davenport and Prusak, 1998). However, the above studies reveal that KM could partially accelerate obtaining competitive advantage for an organization by assimilating the skill and application of IT knowledge. IT knowledge is a key tool to facilitate KM practice in organization for better performance.

Adoption of KM in an organization is not a complicated process because employees are one way or another, already got into the habit of using undefined KM in their daily official undertakings. Thus, organizational culture is at a close position to assimilate KM. During KM adoption within an organization, cultural setting must be a concern in the context of the ability and acceptance by the employees (Gumbley, 1998). Furthermore, the approach of adopting KM is somewhat extent related to the internal culture of

organization. Therefore, when organizational cultures are rigidly bureaucratic, interactions are formal and hierarchical with limited participation that leads to the exchange of knowledge within a paradigm that is forced from the top management (Lang, 2001).

According to Drucker (1998), knowledge is more concentrated in service staff; knowledge tends to be floating between the top management and the operational staff. The culture must be changed to infuse knowledge at all levels of the organization to obtain efficient human resource. Hence, to make KM effective, organizations need to adopt such a culture which provides an environment of sharing knowledge to accelerate success (Robbins, 2003).

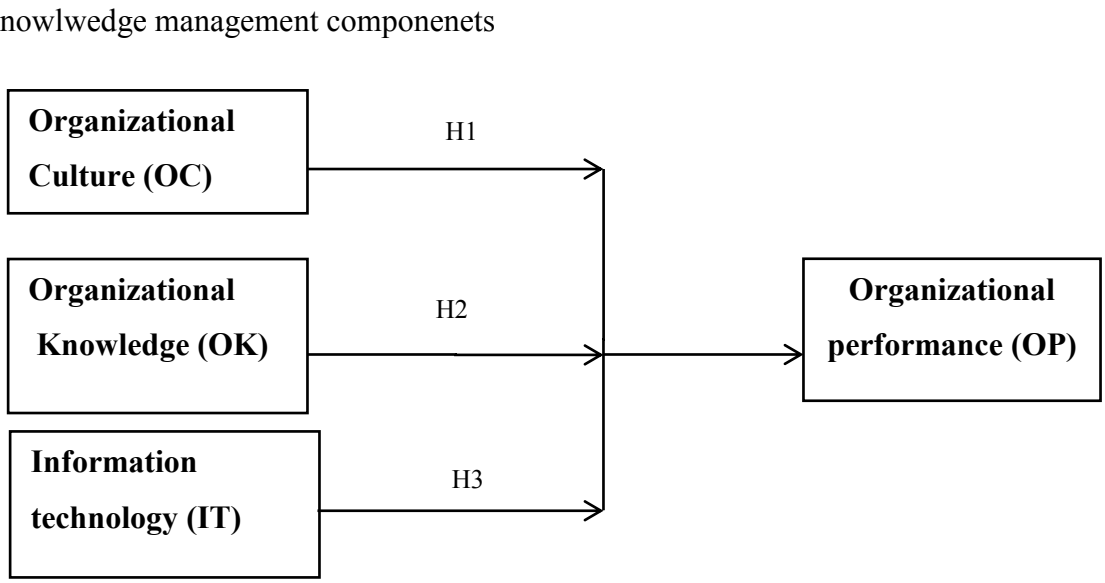
There have not been many researches done to link organizational performance and KM, but researchers have implicated that the more knowledge organizations can capture the higher the performance. Managing knowledge does not necessarily improve performance, but the knowledge managed should be linked to utilization and development of an organization to gain better performance (Kalling, 2003). Although the concept of KM is well-known, only a small number of organizations are capable to link KM to enhance organizational performance (Zack, 1999). Iksan and Rowland (2004) report that organizations should can transfer knowledge from one unit to another in order to gain an overall performance. The ability to apply knowledge to perform important activities is viewed as a source of competitive advantage. When knowledge is managed to improve development and subsequently utilized by individuals, only then KM can be used to improve performance. Farshath (2004) concluded his study stating that Maldivian organizations are aware of the concept of KM to some extent and is moving towards better implementation of KM but the extent to which KM is practiced has never been a subject of research in the country. If NGOs develop a sustainable link between KM and their activities, it is possible for them to capture the knowledge of volunteers.

In this study, knowledge management components refer to the collective name for organizational culture, organizational knowledge and information technology as defined by Sekeran (2003). They are deliberately taken together to show their combination and individual contribution to the influence of knowledge management components success to influence organizational performance accompany with social economic workforce diversity of employees. It is sufficient at this point to propose that the organizational culture, organizational knowledge and information technology will significantly predict knowledge management component success among workforce diversity of employees' influencing of organizational performance in the selected international NGOs operating in Ethiopia.

2.5. Conceptual Framework of the Study

Figure 2.1 shows the conceptual framework of the study. Independent variables are organizational culture, information technology and organizational knowledge. The dependent variable is organizational performance improvement.

Figure1. Conceptual framework of the study (Source: Own literature review)



Based on the framework, the following hypotheses are presented.

H_1: Organizational culture (such as management support, sense of belonging organization and participation in decision making, etc.) has a positive impact on organizational performance of NGOs.

H_2: Organizational knowledge (such as sharing, accumulation and codification, processing and exchange systems, etc.) has a positive impact on organizational performance of NGOs.

H_3: There is a positive influence of IT application (Information acquisition processes systems, information systems and information technology management systems, etc.) on organization performance of NGOs.

Chapter Three. RESEARCH DESIGN AND METHODOLOGY

3.1 Preliminary definition of NGOs

Research on NGOs is vast, and NGOs have been subject to rich academic debates related to global governance, democratization and development. Diversity has become an NGO trademark and it is a nearly impossible task to enumerate the various NGO characteristics when it comes to their aims, strategies, resources, target groups, tools, effectiveness, impact and sustainability. A preliminary attempt to define NGOs would imply referring to the civil sphere of society. NGOs are characterized by their non-profit motivation and conversely, the private sector is fueled by profit. In reality, spheres are not always easy to distinguish. The interdependency may be even more present or at least more visible in a developmental context, where the political sphere often encounters difficulties in matching the capacities of the other two types of actors (Nerfin, 1986).

Development NGOs are committed to working towards economic, social or political development in developing countries. The Norwegian bilateral aid agency Norwegian Agency for Development Cooperation (NORAD) (2004: 6) defines development-oriented NGOs as organizations that "attempt to improve social, economic and productive conditions and are found both as small community-based organizations at village and district levels, and as large professional development agencies at state or national level". One can distinguish between Northern and Southern NGOs within the diverse group of non-state actors. Additional distinctions are often made between advocacy and rights-based NGOs; relief, welfare and charity NGOs; network NGOs and professional support NGOs. However, it is important to bear in mind that in practice the boundaries between these categories rapidly become indistinct. Potentially, NGOs can participate in all phases of the policy cycle and on all levels of the public sector; as contributors to policy discussion and formulation, advocates and activists, service deliverers (operators), monitors (watchdogs) of rights and of particular interests, and as innovators introducing new concepts and initiatives. Some NGOs combine two or more of these activities, whereas others choose to focus on one (Ahmad, 2012).

3.2. The History of NGO in Ethiopia

In Ethiopia, the history of NGOs and their development in modern sense corresponds to international trends and followed the country's socio-economic problems. Red Cross and Swedish missionary are the first International aid agencies which began their operations during the regime of Haile Selasse (Spring and Groelsema, 2004; and Halldin, Norberg, 1977). NGOs started operating in Ethiopia mainly after the 1974 famine, but they had a much larger presence in Ethiopia after the 1984 drought. The intervention of NGOs at that time was limited to the provision of relief and welfare services, especially food aid. The number of NGOS has immensely increased since then, and their intervention areas have been expanded in the provision of basic services, including education, health and development of infrastructure. A few Civil Society Organization (CSOs) were also established to work on human rights, civic education, democracy and conflict issues. Moreover, NGOs working on development and service delivery have largely adopted the rights-based approach to development with a view to ensuring community ownership and sustainability of development programs. (Users' Manual for CSO Taskforce, 2011)

Non-Governmental Organizations (NGOs) are generally seen to be playing an increasingly important role in international development. The ongoing support given to NGO's by donors can be construed as evidence that they are considered to be more effective than state-owned organizations in implementing and sustaining developmental programmers. It has further been seen that NGOs and their operations have been influenced by the "New Policy Agenda" which according to Edwards and Hulme (1996) is characterized by two theories. The first implies that NGOs have been enabled by governments to be private providers because of their supposed cost-effectiveness and their ability to more effectively reach the masses than the public sector. The second suggests that since NGOs are vehicles for democratization they have a fundamental humanitarian role to fulfill which should counterbalance state power, protect human rights, open up communication channels and participation, and promote activism and pluralism.

The adoption of the "New Policy Agenda" has motivated NGOs to scale-up operations and this has given rise to NGOs in Europe and North America to expand their operations considerably and to incorporate both developed and developing countries in their programmers (Edwards and Hulme 2000). This has resulted in the establishment of NGO networks with branches all over the world. A further outcome has been that because NGOs are considered to be vehicles for "democratization" they have become the preferred channel for service provision and government organizations have often been deliberately supplanted. This growth in recent years of developmental NGOs has, however, also meant increased competition for donor funding

(Ebrahim, 2003) and the need for greater accountability and visibility not only at the local constituency level, but also internationally.

All these factors as well as external factors such as the fast- changing environment and increased globalization have made the management of NGO operations very complex. This has forced NGOs to adopt new 'agendas' in order to survive (Mitlin, Hickey and Bebbington, 2006) and they have, for example, been implementing new and innovative ways to manage their operations. One such solution has been to employ knowledge management (KM) procedures and principles to try and ameliorate the situation. Such KM procedures are, because of the emphasis placed on information and knowledge sharing processes, particularly suited to enhancing the delivery of successful developmental programmes in a networked environment (Cummings, Heeks and Huysman, 2003). KM processes further predicate greater participation by all staff, and the recognition of staff skills and capabilities in the decision-making process and NGO program me development (Sheehanm, 1998).

Not all NGO's have however been equally successful at embracing knowledge management principles. There is often distrust with regard to the effectiveness of knowledge management practices among NGOs. Knowledge sharing particularly at inter organizational level is often said to be hindered by "dynamics of power, opportunism, suspicion, and asymmetric learning strategies which can constitute barriers to collective knowledge development" (Larsson, et al.,1998). It is further generally believed that the ineffectiveness of knowledge management practices among NGOs can be attributed to the adoption of the wrong knowledge management strategies for NGOs, particularly when they inappropriately copy KM strategies employed by profit-making organizations (Bitter, 1998).

Recently, QuinkU.,2008 was investigated the impact of knowledge management on the organizational performance of nonprofit organizations. The results showed that there is a positive relationship between knowledge management infrastructure, knowledge management process, and organizational performance. Suzana and Kasim.2010 were studied the significant role of Knowledge management practices in improving the performance of organizations. The results showed that the levels of knowledge management practices were important criteria for determining and improving organizational performance.

Because of scholar's measurements of attempt, Knowledge management is recognized as an important weapon for sustaining competitive advantage and improving performance. The evaluation of knowledge management (KM) performance has become increasingly important since it provides the

reference for directing the organizations to enhance their performance and competitiveness. This paper provides an understanding of factors that involved in implementing organizational culture, information technology and organizational knowledge concept to enhance organizational performance. Also, it provides an assessment tool that helps organizations to assess their knowledge management capabilities and identify the possible existing gaps in their knowledge management systems and suggest the possible ways to enhance organizational performance in international NGO that operating in Ethiopia that how this fact is consign with the mentioned researches align with developing country.

3.3. Research Design

The research design adopted is a quantitative survey type. A survey based quantitative design is appropriate to test empirically the relationship between knowledge management and organizational performance.

The researcher (aims steps to collect primary in descriptive research and detail of methods can be explained below. Descriptive research is a primary research involved with analyzing data collected through the fieldwork. As the researcher plans to use the quantitative survey as the main primary research tool, this means that the primary data is subject to quantitative analysis (Saunders et al., 2009). Thus, the researcher plans to use the new version of SPSS version 20.00 to process the collected data. The results were reported in descriptive fashion along with statistical data. The analysis during the descriptive research was based on deductive reasoning which is a logical argument based on hard evidence. This means that before reaching the conclusive result, discussion in the literature review chapter will be referred to.

3.4 Sources of Data

Both primary and secondary sources of data were employed to fully answer the research questions and test the hypotheses. The primary sources of data were collected from selected international NGOs of full time employees using the five points likert scale questionnaires. The researcher used secondary data from different sources, such as journal articles, newspapers, websites, textbooks and university database supplement of using selected NGOs newspapers and websites. Apart from making sure that they are related and relevant to the research aims and objectives, the research will also ensure that it is reliable by collecting it from sources with a good creditability.

3.5 Sampling Techniques

Selection of organizations has been designated for studying KM components environment (organizational culture, information technology and organizational knowledge) to enhancing organizational performance the following reasons:

a. Has many full-time employees (about 30 and above) which is more than any other international NGOs operating in Ethiopia at Addis Ababa city
b. Has been able to render its services to all the country and at Addis Ababa city.
c. Raising awareness among the community and stakeholders is fundamental goal of their mission.

The target and accessible populations were international NGOs staff (N≈210) distributed in all Divisions in seven selected international NGOs operating in Addis Ababa. The target population (N=110), that includes all workers of different categories comprises staffs (n=85) and whose work was directly or indirectly related to the knowledge management process practices of the organization. From the total population of 210 employees 110 (52.4%) were included in the study. These 110 sample respondents were selected from each international NGOs employee using proportionate stratified sampling and random sampling applied targeting four international NGOs and simple random sampling techniques to pick sample size of n=85. The reason why the researcher preferred this technique was that the samples were very large and to increase the probability of including unique character of each member of the population as well as to ensure proportional representation of the population in the sample and also in simple random sampling technique, by alphabetically sorting the names workers, all members of the population have an equal chance to be selected. The researcher found random sampling techniques as an appropriate option as the research targeted international NGOs staff who were substantially involved in the knowledge creation and delivery activities.

Simple Random Sampling was used to select the ultimate sampling units for the questionnaire. Before the actual selection of the ultimate sampling units for the questionnaire, all international NGO operating Ethiopia at Addis Ababa city staff were grouped into two strata of number of Staff greater than 30 and below working international NGOs operating in Ethiopia at Addis Ababa city both Human resources department and those who work in the different departments.

The Simple Random Sampling technique was selected as the population of international NGO's operating in Ethiopia at Addis Ababa city staff in this case is heterogeneous. In such cases, use of simple random sampling may not provide a representative sample of the population. Therefore, the researcher

opted to divide the population into relatively homogenous groups and then samples were selected using simple random sampling from each group. This approach was selected as it guarantees that every unit in the population has a chance of being selected in several population having above thirty staff members.

Besides, the researcher believed that HR departments group has a decisive role in implementation of any organizational wide initiatives as the group represents the middle management of the organization that serves as a bridge between the top- level management which is engaged itself in major policy and strategy issues and the larger workforce who perform the actual operational activities on KM system.

3.6 Sample Size

Statistical formula derived by Kumar (2000) was employed to determine the sample size for the quantitative data to be obtained through questionnaire. The necessary information for the study was collected by a questionnaire survey. Due to various constraints including time limit and cost, the entire survey population of the international NGO could not be covered. The population of international NGO was fulltime employees during the period of study in the selected international NGO operating at Addis Ababa city. A total of 110 respondents of international NGO's employee representatives were selected using random sampling technique. Sample size was determined based on the guideline reported by Barlettet al. (2001) and Sekaran (2003). Bartlett et al. (2001) report that a sample size of 116 would be sufficient if the survey population is 200. In contrast, Sekaran (2003) states that a sample size larger than 30 and less than 500 is usually appropriate for most researches and valid to be analyzed using general statistical tools. The survey took place in January, 2016 and accomplished by the end of April, 2016.

3.7 Questionnaire Design

A survey method of data collection through questionnaire was used to collect data for this study. According to Krishnaswami and Ranganatham (2007), the advantage of this method is that it is less expensive, permits anonymity and may result in more responses that are honest. The questionnaire was designed (see Appendix 2) and the layout of the questionnaire was kept very simple to encourage meaningful participation by the respondents of selected international NGO operating in Ethiopia at Addis Ababa city. The questions were kept as concise as possible with care taken to the actual wording and phrasing of the questions. The reason for the appearance and layout of the questionnaire are of great importance in any survey where the questionnaire is to be completed by the respondent (John et al., 2007). The literature in the study was used

as a guideline for the development of the questions in the questionnaire. Besides, some questions in the questionnaire were adopted from other sources (Habtamu and Mulugeta, 2010). The questions that were used in the questionnaire are open ended and five-point Likert scale type questions. The type of scales used to measure the items on the instrument is continuous scales (strongly agree to strongly disagree).

In this research, quantitative data were needed. So, data collection instruments used for the research were questionnaire. The Likert-scale was applied in which respondents are asked to express their attitude on a set of statements using a five-point scale. This method seemed the most viable option to capture the responses and to measure the perception they have on specific aspects of KM in enhancing organizational performance to selected staff of international NGO's operating in Ethiopia at Addis Ababa city to solicit the data.

In this design, both forms of data are collected at the same time and then are integrated in the interpretation of the overall results. The primary data collection was conducted through self-administered questionnaires. Questionnaire were designed and pre-tested before the actual conduct of the study. The confidentiality and anonymity of the data was explained to the participants and distributed in person and via e-mail to selected staff of international NGO's operating in Ethiopia at Addis Ababa city to solicit the data.

The first part of the questionnaire was designed to focus on the demographic information of the respondents including gender, age, education level and experience. The second part focused on the KM elements related to organizational performance. The items in the second part were divided into four sections including organizational culture, information technology and organizational knowledge and performance awareness. Each section consists of about 8 to 15 items. Likert scale was used to measure how strongly respondents agree or disagree with the statements (Sekaran, 2003).

3.8 Operationalization of the Variables of the study

a) Dependent variable

Organizational Performance of international NGO: Organizational performance is described as an organization's ability to acquire and utilize its scarce resources and valuables as expeditiously as possible in the pursuit of its operations goals. Organizational Performance of NGO was measured using a 5 point Likert scale (1= strongly disagreed and 5= strongly agreed) to identify the overall level of organizational performance (See Appendix 1). While measuring performance this study makes use of fundraising efficiency ability, gender diversity and satisfaction of employees, financial transparency (preparing reports

and submitting time), creating value for each dollar/fund/ invested in project, level of networking with partners, their relevance and satisfaction, service quality to beneficiaries, partners and other parties, best use of the funds or financial resources, and the long-term consequences of projects or program effect are used as measures of performance in this study.

b) Independent variables

The following are the independent variables used in this study:

The independent variables are knowledge management elements i.e. organizational culture, information technology and organizational knowledge (see also Table 2).

Table 2. Operational definition of independent variables

Variables	Measurement of items	Measurements of variables	Expected result
Organizational Culture	Management support, sense of belonging organization, participation in decision-making and structural mood towards encouraging knowledge-related activities.	Likert scale (1 = strongly disagree, 2=disagree 3=Neutral 4= Agree 5 = strongly agree and x = do not know)	+
Organizational knowledge	Knowledge processing, knowledge exchange systems, knowledge sharing and knowledge accumulation and codification.	Likert scale (1 = strongly disagree, 2=disagree 3=Neutral 4= Agree 5 = strongly agree and x = do not know)	+
Information technology	Information systems, information technology management systems, information acquisition processes systems	Likert scale (1 = strongly disagree, 2=disagree 3=Neutral 4= Agree 5 = strongly agree and x = do not know)	+

Source: Own literature review

Thus, this study organizational culture, information technology and organizational knowledge used as the main independent variables.

3.9. Validity and Reliability Tests

Validity means that we are measuring what we want to measure. There are different types of validity measurements including, face validity - whether at face value, the questions appear to be measuring the objective of the study. The researcher undertook a pre-test on selected employees to check the validity of the questionnaire and corrections were made based on the feedback collected. Those respondents who were part of the pilot test were not included in the actual conduct of the study. The content validity also assured when the questionnaire was prepared based on extensive reading of literature review. While preparing the questionnaire ambiguous or vague wordings were avoided to ensure that respondents would read and answer the question consistently on different occasions in the same context. The data from different sources can help for crosschecking the information obtained. To assess the goodness of the instrument measures, the instrument was subjected to the construct validity and reliability tests. The construct validity was evaluated by factor analysis with eigenvalues of at least 1.0, and factor loading of at least 0.40. Meanwhile, the reliability was evaluated by the coefficient of Cronbach's alpha with acceptable value of 0.7 and above (Hair, Black, Babin, & Anderson, 2010). Table 4 illustrates the results of validity and reliability for the latent constructs.

Factor analysis was employed for all variables with multi-item scales. During all factor analysis procedures, principal axis factoring with eigen value greater than or equal to one extraction and varimax rotation methods were employed. The factors extracted for each of the scales, which had factor loading value greater than 0.4, were used in a subsequent analysis. Items with factor loadings of less than 0.4 were excluded from further analysis.

Cronbach alpha was used to test the reliability of multi-items (Churchill, 1979). Organizational knowledge factor is comprised of thirteen items such as high conversion rate of knowledge acquired, clear vision of how knowledge management, the application of knowledge, Employees exchange knowledge, the effectiveness of utilizing (existing) knowledge, employee's knowledge as an organizational asset, employee's knowledge shares through informally, both tacit and explicit knowledge innovations, knowledge management (KM) success relies heavily upon the trust, creativity, team work and collaboration among employees, the KM positioning emphasizes a set of preferred values and directions in your organization.(Connection over Collection, Decentralization over Centralization, Externalization over Internalization), best mechanism method storing of Knowledge within the organization and includes

physical resources as well as non-physical resources and a Secured knowledge asset and keeps in a safe way and accessed only by authorized personnel.

Organizational culture is composed of ten items: management motivates staff to share knowledge, management stimulates employee to capture experiences and lessons learned, good intra-team communication and sharing of knowledge, the level of networking with partners, their relevance and satisfaction, Knowledge sharing behavior like sharing, reusing knowledge, recording and sharing knowledge is a routine like any other daily works for employees, knowledge management is an integral part of organization core activities and is decentralized, employees are co-operative and helpful when asked for some information or advice, Knowledge sharing is seen as a strength in your organization and Organization's structural mood towards encouraging knowledge-related activities is best. IT tools are used to support collaborative work (e.g. video conferencing systems, communication tools), Organization uses technology to enhance service quality in every department, IT tools are simple to use and have a user friendly interface, Awareness of appropriate knowledge storage system and documented well for accomplished chores for future use, IT systems in which employee can easily find the knowledge that they need, IT is easy to find correct information in day-to-day environment, the systems that make easy use of available knowledge, the right IT systems to capture and share new ideas and experiences and tools are used to support collaborative work (e.g. video conferencing systems, communication tools).The Cronbach alpha for all the factors is higher than 0.7. This shows that the internal consistency of the items taken is good (Joseph and Rosemary, 2003) (see Table 3 and Table 4).

Table 3. Construct items, loadings and alpha value

Item organizational knowledge (alpha=0.746, eigenvalue=1.983)	**Factor Loading**
1. Knowledge sharing across departmental boundaries actively encouraged by top managers.	0.470
2. High Conversion rate of knowledge acquired from external and internal sources into useful and applicable forms to improve project operational activities formally.	0.504
3. There is a clear vision of how knowledge management is to be used in daily office undertakings.	0.557
4. The application of knowledge enables organizations continuously to translate their organizational expertise into embodied programmes.	dropped
5. Employees exchange knowledge with their co-workers freely and actively.	0.696
6. The effectiveness of utilizing (existing) knowledge in the organization is very well.	0.907
7. Employees consider their knowledge as an organizational asset.	dropped
8. Employees share their knowledge through informally.	dropped

9. Both tacit and explicit knowledge enable organizations to respond to novel situations in your organization.	dropped
10. Knowledge management (KM) success relies heavily upon the trust, creativity, team work and collaboration among employees.	dropped
11. The KM positioning emphasizes a set of preferred values and directions in your organization. (Connection over Collection, Decentralization over Centralization, Externalization over Internalization).	dropped
12. There is best mechanism method storing of Knowledge within the organization and includes physical resources as well as non-physical resources.	dropped
13. There is a Secured knowledge asset and keeps in a safe way and accessed only by authorized personnel.	dropped

Item organizational culture (alpha=0.803, eigenvalue=1.976)	**Factor Loading**
1. The management motivates staff to share knowledge by building trust, giving incentives, making available time and resources.	0.688
2. The management stimulates employee to capture experiences and lessons learned.	0.834
3. There is a good intra-team communication and sharing of knowledge.	0.691
4. The level of networking with partners, their relevance and satisfaction better than other similar projects operating in the city.	dropped
5. Knowledge sharing behavior like sharing, reusing knowledge is actively promoted by top level management.	0.709
6. Recording and sharing knowledge is a routine like any other daily works for employees.	0.648
7. Knowledge management is an integral part of organization core activities and is decentralized.	0.555
8. Employees are co-operative and helpful when asked for some information or advice.	dropped
9. Knowledge sharing is seen as a strength in your organization.	0.676
10. Organization's structural mood towards encouraging knowledge-related activities is best.	0.653
Item Information Technology (alpha=0.743, eigenvalue=1.984)	**Factor Loading**
1. In your organization, IT tools are used to support collaborative work (e.g. video conferencing systems, communication tools).	0.746
2. Organization uses technology to enhance service quality in every department.	0.724
3. IT tools in your organization are simple to use and have a user- friendly interface.	0.752
4. Awareness of appropriate knowledge storage system and documented well for accomplished chores for future use.	0.591
5. There have been the IT systems in which employee can easily find the knowledge that they need.	0.754
6. Whether it is easy to find correct information in day-to-day environment.	0.681

7. There have been the systems that make easy use of available knowledge.	0.544
8. Organization has the right IT systems to capture and share new ideas and experiences.	0.811
9. In your organization, IT tools are used to support collaborative work (e.g. video conferencing systems, communication tools).	0.815

Item organizational performance (alpha=0.870, eigenvalue=1.976)	**Factor Loading**
1. Fundraising efficiency ability is highly achieved on scheduled time base.	dropped
2. There is high in gender diversity and satisfaction of employees.	dropped
3. There is obviously financial transparency (preparing reports and submitting to stakeholders and partners on time bases) in organization.	0.569
4. Organization has attempted and succeeded in creating value for each dollar/fund/ invested in project.	0.834
5. There is high level of networking with partners, their relevance and satisfaction.	0.779
6. There is remarkable service quality to beneficiaries, partners and other parties.	0.701
7. There is best use of the funds or financial resources to achieve the required or the planned outputs.	0.794
8. The long-term consequences of projects or program have positive performance effect.	0.756

Table 4: Results of Reliability Test

Constructs	No. of Items	KMO	Eigen Value	% of Vari-ance	Cronbach's Alpha
Independent Variables					
0rg.Knowledge	5	0.825	4.615	47.01	0.722
Org. culture	8	0.818	3.306	55.105	.853
Information Technology	9	0.797	3.051	61.024	.839
Dependent Variable					
Org. Performance	6	0.835	3.380	67.606	.865

3.10. Data Analysis

The Statistical Package for Social Science (SPSS) version 20 was used to analyze the data obtained from primary sources. The results of the data are presented in descriptive and in quantitative forms.

3.10.1 Descriptive Analysis

A descriptive analysis has been adopted for the analysis of the data. In doing so tables, percentage, mean and standard deviation were used. The reason for using descriptive statistics was to compare the different factors.

3.10.2 Quantitative Analysis

Once raw data were collected, descriptive data analysis methods were employed to analyze data. For the quantitative data, Statistical Package for Social Scientists (SPSS) version 20 software was used during data entry, cleaning, processing and analysis. Among the descriptive statistical tools percentages were used to

describe the current state of knowledge Management components system to improve organizational performance. Text analysis and direct quotation is used as a means of analyzing qualitative data obtained responses from questions on the questionnaire and data obtained from review of documents. Then based on the information obtained from data analysis, generalizations about the population were made.

frequency of various demographic variables was derived to analyze the demographic aspect of the respondents of international NGO's employees operating in Ethiopia at Addis Ababa city. The demographic variables were sex, age, education level and experience (years).

Ordinary least squares regression model was used to indicate the major determinants of out organizational performance. Ordinary least squares regression is a generalized linear modeling technique that may be used to model a single response variable which has been recorded on at least an interval scale. According to Pohlman (2003) Ordinary least squares models the relationship between a dependent variable and a collection of independent variables. The technique may be applied to single or multiple explanatory variables and categorical explanatory variables that have been appropriately coded (Hutcheson, 2011).

Before estimating any model, it is a must to check the validity of the model properly. Hence, as necessary, tests for multicollinearity and heteroskedasticity were made. Tests for multicollinearity is done using variance inflation factor (VIF). As a rule of thumb, if the VIF of a variable exceeds 10, there is a serious multi-collinearity problem. But the mean VIF result of this study is 1.911. Moreover, another assumption in regression analysis is that the errors ε have a common variance. If the errors do not have a constant variance, we say they are heteroskedastic (Maddala, 1992). To detect this problem Breusch-Pagan test of

heteroskedasticity was done and it is 0.6467. And it confirmed that there is no heteroskedasticity problem (Breusch and Pagan, 1979).

The KM components such as organizational culture, information technology and organizational knowledge were analyzed using mode as the measure of central tendency along with graphical synthesis. In dealing with the categorical data, mode is affective to examine the highest frequency of occurrence of the variable (Safa and Jessica, 2005). Spearman correlation was used to investigate the relationship between the studied KM components mentioned above. Thus, the equation for the regression is the dependent variable organizational performance and a function of independent variable knowledge management elements i.e. organizational culture, information technology and organizational knowledge.

The equation of regressions on this study was built around two sets of variables, namely dependent variable (organizational performance) and independent variables (organizational culture, information technology, and organizational knowledge. The basic objective of using regression equation on this study is to make the study more effective at describing, understanding and predicting the stated variables.

The relationship between the dependent variable, organizational performance of selected international NGOs operating in Ethiopia and the independent variables is expressed as a linear combination of the independent variables plus an error term. Following Greene (2003), the multiple linear regression models are specified as:

$Y= \alpha + b_1x_1 + b_2x_2 + b_3x_3+\varepsilon$

Where, y is the measure value of organizational performance or the value of dependent variable.

α = Constant term (coefficient of intercept)

b_1, b_2, b_3 is coefficient of the independent variables (regression coefficient).

x_1 = The measured value of IT

x_2=The measured value of organizational culture

x_3 =The measured value of organizational knowledge

ε= Error term

Where the b_s are coefficients of independent variables, X_s are column vectors for the independent variables in this case; organizational culture, information technology and organizational knowledge. While ε is a vector of errors of prediction. The errors are assumed to be normally distributed with an expected value of zero and a common variance.

The quantitative data from the questionnaire was coded and a master sheet prepared before the beginning of data collection. After the data, had been collected, the researcher goes through the data pieces' questionnaire at the end of each day of data collection. This was for purposes of screening the data pieces and marking the codes on the different variables, to make the data ready to be entered the master sheet using SPSS version program. At the end of the data collection process, and when all the codes had been entered the master Sheet, data analysis was done using SPSS version 20. The researcher used the output derived from SPSS to discuss the findings of this study.

3.11. Ethical consideration

The ethical approval and clearance for the study before data collection was obtained from the College of Business and Economics, Addis Ababa University. All the research participants included in this study were appropriately informed about the purpose of the research and their willingness and consent was secured before the beginning of distributing questionnaire. Regarding the right to privacy of the respondents, the study maintained the confidentiality of the identity of each participant. Their privacy, identity and confidentiality were maintained by assigning them code numbers instead of names. The completed questionnaires were filed safely and were accessible only to the researcher and thesis advisor. In all cases, names are kept confidential thus collective names like 'respondents' were used. The completed questionnaires were filed safely and were accessible only to the researcher and thesis advisor.

CHAPTER FOUR. PRESENTATION AND INTERPRETATION OF THE DATA

This chapter of the thesis deals with the presentation, analysis and interpretation of the data. It has five parts. The first part presents the characteristics socioeconomic description of the sample of the respondents while the second part describes about the Data Analysis and Results on KM Components System. The third part deals with Findings of overall OP score and the fourth discussion and study Implications one while the fifth one deals on conclusion and recommendation contains suggestions made by staff to improve the current information and KM systems with emphasis to KM approach in every accept angles in different company that increasing effectives of performance.

Both quantitative data gathered using questionnaires ones collected through mine interviews with selected international NGOs employees for grieving of extent to which KM elements to enhance organizational performance for per-test of the thesis paper for further research conduct and open ended questions on the questionnaire made are incorporated here. Data collected from the respondents using questionnaire were organized in to tables and figures and presented below.

4.1 Socio-economic Characteristic of the Respondents

A total of 85 usable KM practice assessment questionnaires were collected out of the expected 110, representing a return rate of 77.27 percent. The distribution of the respondents by gender, educational level, and work experience within internationals NGOs operating at Addis Ababa city Ethiopia are presented in Tables 6,7,8 and 9below.

*Table 5: Distribution of Respondents' by Gende*r

Gender	Frequency	Percent
Male	45	52.9
Female	39	45.9
Missing	1	1.2
Total	85	100.0

Sources: Survey data,2016

As we can see from table 5 above, out of the total 85 respondents to the questionnaire, 45 or 52.9 percent were males while the remaining 39 or 45.9 percent were females. Corresponding to the male/female ratio

of the entire workforce in international NGOs operating in Ethiopia the study sample was also proportionately dominated by male respondents. But organizations prefer to hire male workers compared with women because they are perceived to have better performance and ability to manage their jobs. However, positive relationship was found between team gender diversity and intra-team cooperation, but only within regions that were relatively diverse in terms of gender. Furthermore, gender diversity was positively related to team performance, but again this was true only within regions characterized by relatively high gender diversity. Overall, regions with greater gender diversity at managerial as well as non-managerial levels were more cooperative for influencing organizational performance (Adler, 1986). Therefore, the survey Data show that gender diversity of those selected international NGOs is better distribution (7.05 percent less than men as of survey data) for equal opportunity to increase the role of female on organizational performance enhancement.

Table 6: Distribution of Respondents' by Age

Respondents of Age	Frequency	Percent
20-30	15	17.6
31---40	40	47.1
41---50	21	24.7
51----60	4	4.7
over 61	2	2.4
not mentioned	2	2.4
Total	84	98.8
Missing System	1	1.2
Total	85	100.0

Sources: Survey data,2016

The findings show that much of respondents (47.1%) out of 85 were of adolescence age i.e. between 31 years – 40 years; followed by the middle age between 41and 50 that comprised 24.7% and the old age 51 and above which was 7.1%. Lastly the young age between 20 and 30 that comprised 17.6% of the population. The distribution of respondents in selected international NGOs operating at Addis Ababa by age characteristics are a better for role KM influencing of organizational performance as shown in Table 5 above, most of the respondents were at fully-grown stage from 31—50age. Those of 71.8 percent of respondents are fully mature both intellectually and age-learned psychologically behavior. This shows that the majorities of employees have the requisite qualification age to perform their job in devoted manner and

are ready to contribute towards the KM initiative/practice to their relative to increase organizational performance at each corner of work. Hence, the benefits of age heterogeneity are based on additional productivity effects that arise due to interaction among individuals of different ages with differing skill profiles, differing perspectives and perhaps also different personality traits.

Table 7: Respondent of Education

Education level	Frequency	Percent
Doctorate(PhD)	6	7.1
Masters (Second Degree)	38	44.7
first degree	37	43.5
Diploma -lever four	2	2.4
Certificate	2	2.4
Total	85	100.0

Source: Survey data,2016

According to Daniel (2009) study, an individual will be more productive depending on the level of their education. The more education the individual worker received, the more productive the worker will be. Moretti (2004) explored this idea and found that cities with higher percentage of tertiary education level workers will enable individuals of all education level have higher wages. Glaeser et al., (1995) also found that a greater proportion of educated workers in a city translate to higher economic growth. However, Zhou, and Han (2009) found that those high-level managers with higher education and the staff whose length of service is 11 to 15 years shows unusual decline in work performance because they have not found the suitable development space, so temporary disengagement happens.

The researcher asked the respondents to state their level of education to find out whether the respondents could be able to interpret the questionnaires given to them by the researcher. The findings indicated most of the respondents in the targeted group have relevant knowledge to read, interpret and answer the questionnaires given to them by the research as presented in table 7.

Regarding academic qualification, as shown on table 7 above, most of the respondents' hold M.A/MSc (about 44.7 percent) with 43.5 percent BA/BSc holders. 95.3 percent of respondents are first degree graduates and above. This shows that the majorities of employees have the requisite qualification to

perform their job and are ready to contribute towards the KM initiative/practice to improve performance of organization. Hence, an individual will be more productive depending on the level of their education. The more education the individual worker received, the more productive the employee will be.

Table 8: Distribution of Respondents' by Service years

Years of service	Frequency	Percent
1 to 4 years	60	70.6
5 to 8 years	15	17.6
9 to 16 years	8	9.4
over 16 years	1	1.2
Sub total	84	98.8
missing system	1	1.2
Total	85	100.0

Source: Survey data,2016

Pertaining to work experience, 70.6 percent of respondents work for less than four years, 17.6 percent between 5 to 8 years and the remaining 10.6 percent work for more than 9 years.29.4 percent of the respondents (those have been in services in NGO Ethiopia for 9 years and above). The occupations available to those with working experience and possess a certified tertiary paper may have high mobility rate. As you on survey data of the research, the majority of the employees (71%) stay in the organization for a short period less than four years and the transfer of knowledge is minimal with high individual performance having a higher educational background and similarly to Zhou, and Han (2009) found that those high-level managers with higher education and the staff whose length of service is 11 to 15 years shows unusual decline in work performance because they have not found the suitable development space, so temporary disengagement happens.

In general, a diverse workforce (in age, gender, education and service years) reflects a changing world and marketplace. In the research, diverse work teams bring high value to organizational performance and respecting individual differences will benefit the workplace by creating a competitive edge and increasing work productivity. Diversity management benefits associates by creating a fair and safe environment where everyone has access to the same opportunities and challenges. Management tools in a diverse workforce should be used to educate everyone about diversity and its issues, including laws and regulations. Most workplaces are made up of diverse cultures, so organizations need to learn how to adapt to be successful in its organizational performance.

4.2. Data analysis and Results

According to Hair et al. (2010), before data analysis, we should check the assumptions regarding normality, linearly, and outliers. Normality of the observed variables was evaluated through the examination of skewness and kurtosis values. None of the observed variables are significantly skewed or highly kurtosis (standardized residuals < ± 2.5). Meanwhile, all observed variables shown to be linearly related (via scatter plots). Moreover, using Mahalanobis distance, no obvious outlier was noticed (D2/df< 2.5). Thus, it can be suggested that these basic assumptions are not violated.

As described at the earlier section, the sample sizes were 85 cases, which have achieved the required assumptions. The sample size of 85 cases is practically sufficient to be analyzed in this study. According to Sekaran and Bougie (2010), sample sizes larger than 30 and smaller than 500 are fitting for all research.

Pearson's correlation analysis is conducted to measure the relationship between two variables in the study. In examining the correlation among the KM components constructs, Table 9 shows results of Pearson's correlation. The entire KM components practices correlate significantly with each other ($p \leq 0.01$). Even though there are several (r) values in the level of medium and high correlation, high correlation values are more frequently discerned among KM processes. These positive associations tend to support the previous agreement that KM components practices should be implemented holistically, not individually. Many researchers (such as Choy, 2006; Shankar and Gupta, 2005) have supported the concept of holistic approach of KM components practices.

Table 9: Correlation between the components of KM (Spearman correlation)

KM Components	Organizational knowledge	Organizational culture	Information Technology
Organizational knowledge	1	0.618**	0.383**
Organizational culture	0.618**	1	0.521**
Information Technology	0.383**	0.521**	1

(p**) Correlation is significant at the 0.01 level (1-tailed).

The relationships between KM components practices and organizational performance variables are exhibited in Table 10. All processes of KM are positively and significantly related with organizational performance at $\alpha = .01$ levels. Most of KM components show strong correlation with organizational performance. Meaning that, all the KM components processes are highly associated with organizational

performance. This finding agrees with several studies that have been conducted to explain such relationships (e.g., Daud and Abdul Hamid, 2006; Muhammad et al., 2011).

Table 10: Pearson's Correlation between KM components and Organizational Performance

KM components	Information Technology	Organizational Knowledge	Organizational Culture
Organizational Performance	.679**	.763**	.572**

(p**) Correlation is significant at the 0.01 level (1-tailed).

Table 11 demonstrates the multiple regression analysis between KM components and Organizational Performance (OP) measures. In this model, OP acts as the dependent variable and KM with the three components: organizational knowledge, organizational culture, information technology as the independent variables. From the results in Table 11, the analysis shows that strong relationships existed as hypothesized; whereas the regression model has moderately high values of adjusted R2 (0. 475), which means that 47.5 percent of the variation in OP can be explained by organizational knowledge, organizational culture, information technology. Table 11 also shows that two variables are significantly and positive effect related to organizational performance. It is information technology (β=0.212, p=0.064) and organizational culture (β=0.169, p=0.08). The third independent variable, organizational knowledge (β=0.093, p=0.643) was found to be insignificant in this study. It can be concluded that information technology has the greatest effect on OP followed by organizational culture. Furthermore, the regression analysis result also revealed significant F value at level $\alpha = 0.01$.

The result shows that organizational culture affects organizational performance. This dimension inculcates motivation of staff to share knowledge and Stimulation of mgt. for capturing experience and lessoned learned knowledge to represent the ways of collaboration between employees with an objective to improving organization performance across the international NGOs operating in Ethiopia at Addis Ababa city. This finding backs previous studies, the culture of an organization is seen in the norms of expected behaviors, values, philosophies, rituals, and symbols used by its employees, and it evolves over a period (Mathis and Jackson, 2010). An organization can achieve a competitive edge by creating and using knowledge about its' processes and by integrating its' knowledge into organizational performance effectiveness.

In confirming the importance of information technology on knowledge transfer success, Davenport and Prusak (1998) and Hwang (2003) did not support the current findings. Their studies showed that information technology provides suitable environment for learning and interaction among employees in an organization. Information technology is believed to aid the process of knowledge management transfer, codify and reuse as it makes the practicality of some of this knowledge to be real and seen in the organization. However, it did show significant influence in the present study (my researcher). Probably, information technology may have been taken for granted in the selected international NGOs operating in Addis Ababa investigated. Notably, the findings have shown the importance of differences in societies and organizations despite their adoption of global practices. The location of an organization can be a major issue in explaining employees' perception of its practices and willingness to transfer knowledge management components.

Table 11: Multiple Regressions for KM components and Performance

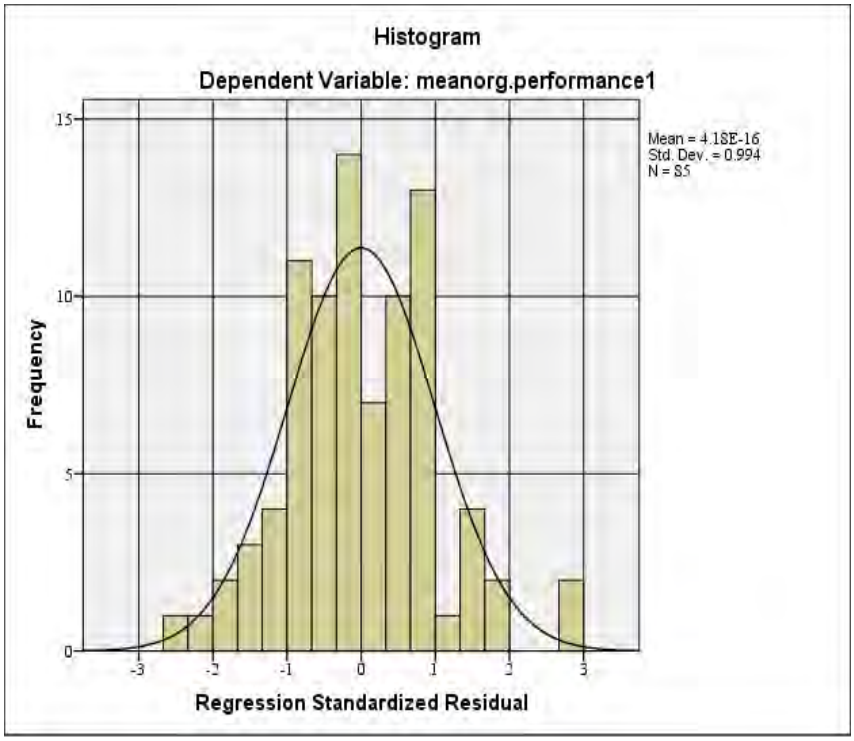
KM components (Independent Variable)	Performance (Dependent Variable)				
	Unstd. Beta				
	B	Std. Error	Std, Beta	t	Sig.
(Constant)	1.306	.468		4.923	.000
Org. culture	*.169*	*.122*	*.194*	*1.384*	*.08*
Inf. Technology	*.212*	*.113*	*.224*	*1.880*	*.064*
Org. knowledge	.093	.126	.095	.737	.463
R2		.496			
Adjusted R2		.475			
Significance of F		.000			

4.3 Overall organizational performance level of respondents

The figure 2 shows that the mean organizational performance is 4.18 with standard deviation of 0.994. The mean general organizational performance score is quite low which may indicate that majority of the sampled respondents are not performed by the services provided by the international NGOs operating at Addis

Ababa,4.18 based on a scale ranging from -3 (low performance) to 3 (high performance). The sub-optimal organizational performance scores for international NGOs strongly suggest that more could be done to assure that influencing organizational performance.

Figure 2: organizational performance score level of the sampled respondents



Source: Own survey data 2016.

CHAPTER FIVE. DISCUSSION, STUDY IMPLICATIONS, CONCLUSION AND RECOMMENDATIONS

5.1. Discussion and Study Implications

Notwithstanding the significant affinity that exists between KM and performance, empirical research on the link between KM elements and OP has hardly been touched (Davenport et al. (1998). KM has been found to be very useful to enhance organizational performance, these organizations including NGOs attempt to adopt KM practices as a new dimension to the organizational development process. In Maldives context, most Society for Health Education (SHE) have started to consider KM as a critical part of their activities to improve their performance (*M. S. Safa et al.,2006*). And also in Ethiopia, the study focused on knowledge sharing practice of World Food Programme (WFP), Ethiopia considering managers and employees of the organization to consider gap shown in awareness level regarding knowledge management and absence of clear knowledge management strategy that define how KM will work for the organization contributed to lack of direction, consistency which appears to be a setback of the KM initiatives of the organization (Tesfaye Berhanu, 2015). Unfortunately, there are very limited studies that touch KM and its effects on the international NGOs institutes' performance. Moreover, most of these researches were conceptual and case studies. Considering the study's domain, this study attempts to narrow the gap in literature, particularly in developing countries. The primary purpose of this study was to investigate descriptively the relationships among KM components, and to identify the effects of KM components on organizational performance within selected international NGOs operating in Ethiopia context. Through testing the research hypotheses, which were developed based on relevant literature, the purpose was accomplished. The significant implications from the results for researchers and practitioners, respectively, are discussed in the rest of this section.

Results of Pearson's correlation indicated that all the correlations among the KM constructs were significantly positive with each other. The findings also consistent with those in literature that have demonstrated that KM practices should be implemented holistically rather than individually (Choy, 2006; Shankar & Gupta, 2005).

Meanwhile, correlation results indicated that the KM components had a strong association with selected international NGOs performance (see Table 10). This study is consistent with the prior research conducted by *M. S. Safa et al.,2006 and* Jelenaet al.,2012. In this regard, it is found that NGOs can benefit from KM components practices. The correlation results of this study also revealed that organizational knowledge application recorded highest correlation with OP (0.763), followed by information technology (0.679) and organizational culture (0.572). Thus, focusing on these components will enhance OP within selected international NGOs operating at Addis Ababa context. More detail, for example, knowledge sharing involves the exchange of information and knowledge from one source to another (Daud and Abdul Hamid, 2006; Liao and Wu, 2009). Therefore, knowledge sharing plays a major role in ensuring that the shared thinking and provide adequate internal communication throughout the selected international NGOs, and that help aids the achievement and sustenance of their organizational performance.

Organizational Knowledge application had recorded great association with OP as compared to the other KM components. One possible reason is that one of the common forms of this process is to adopt the best practice from other leading organizations by discovering relevant knowledge and apply it (Lee et al., 2005). Such practices create opportunities for international and local NGOs partners to apply new knowledge, which in turn leads to enhance their performance.

Within KM components, information technology also had the greatest correlation with OP. As mentioned by many researchers, information technology requires accessing knowledge-based/ resources to capturing the unknown knowledge, and exploiting the available knowledge (Lee et al., 2005; Liao and Wu, 2009). Thus, this process provides the approach to create new knowledge that aimed at achieving best performance. As for the relationship between information technology and OP, the findings also highlight the importance of knowledge identification, effective knowledge sharing and knowledge storage, which is found to have a significantly positive and high correlation with OP. Therefore, these components are some significant factors and very important in achieving better organizational performance. On the other hand, organizational culture had the lowest correlation with OP as compared to the other KM elements. One plausible reason is that probably not all selected international NGOs have an effective system to support the process of organizational culture. Therefore, selected international NGOs leadership in Ethiopia must be taken into consideration this issue.

Results of multiple regression indicated that information technology was positively related to organizational performance and had the greatest impact on selected international NGOs operating in Addis Ababa organizational performance as compared to the other three elements of KM. One acceptable reason is dimension inculcates elements like support collaborative work (video conference, communication tools) and technology enhance service Quality, Simple to use and friendly interface, Knowledge system of storage and documented well for accomplished cores future use, easy find the knowledge that they need, finding Correct information from work environment, the level of capturing knowledge(Explicit and tacit) using IT, the systems' use of valuable knowledge by IT and right system to capture and share new ideas and experience) are also important factors for creation of a good image of influencing organizational performance .as a vital pillar of KM is critical to selected international NGOs of organizational performance in this knowledge management era. In confirming the importance of information technology on knowledge transfer success, Davenport and Prusak (1998) and Hwang (2003) did support the current findings. Their studies showed that information technology provides suitable environment for learning and interaction among employees in an organization. Information technology is believed to aid the process of knowledge management transfer, codify and reuse as it makes the practicality of some of this knowledge to be real and seen in the organization.

The results of the simple regression analysis implied that KM processes (collectively) have a significant and positive effect on selected international NGOs organizational performance. The analytical results as well consistent with those in the literature that stated that KM components positively and significantly contributes to international NGOs performance (Daud and Abdul Hamid, 2006; Muhammad et al., 2012).

The implications of this study can be divided into three aspects: theoretical contributions, robustness of research methodology, and practical contributions. From the theoretical perspective, this study demonstrated the importance of KM components in the NGOs service sector. This study supports the studies (Gold et al., 2001; Liao and Wu, 2009) in which KM is operationalized as a multidimensional construct. In addition, it gives contribution to the literature in terms of the impact of KM components processes on NGOs performance and provides to a better understanding of the relationship between KM and OP in the international NGOs organizations. Thus, implementation of KM is crucial since the KM components practices are found to have a significant positive impact on organizational performance. Briefly, organizational performance will enhance if there is a sound management foundation like KM components

processes. Considering the study's domain, these findings have some important implications for theory. It is also imperative to note that this study attempts to enrich the literature review and contribute in KM-related studies, especially in developing countries. In terms of practical implications, the study highlights management issues involving the influence of KM components on organizational performance. In the other words, this study draw attention to the role of international NGOs leadership in creating relevant organizational knowledge through KM processes. However, if selected international NGOs as knowledge-driven organizations need to leverage knowledge creation capabilities, stress should be given to KM components processes, which are: organizational knowledge, organizational culture and informational technology. Hence, by implementing these practices collectively and effectively, selected international NGOs leadership can use the items establishing KM in this study to assess where their organization stand about the use of KM components or as a guideline in implementing them. Moreover, they can use the OP indicators as a check instrument to appraise the results of OP achievements over time.

The researchers believe this study contains findings that are useful to practicing managers not only in the international NGOs-service sector but also in the non-international NGOs organizations. This study has shed some light for managers how planning to improve organizational performance, whereby the top management will be able to gauge the effects of KM components and the organizational performance in Ethiopia.

5.2. Conclusion and Recommendations

This study explored the relationship between KM components and organizational performance. Results have shown that the KM elements had a significant effect on organizational performance; selected international NGOs organizations, therefore, need to find solutions on how to improve these processes in order to improving organizational performance among their internal and external partners. Indeed, this study contributed to the previous studies through the conceptual framework, which is based on holistic of organizational knowledge, resource based view(IT) and organizational culture based view theories. External sources of knowledge obtained from prior education and work experience are the most widely mentioned source of knowledge by the employee of international NGO's, Ethiopia. Whereas, the practice of using internally produced source for knowledge and sharing knowledge among employees is minimal due to high repositioning of employees between international NGOs. This leads the organization to lose its internally produced knowledge when the knowledge of employees walks out of the door with them at the time they leave the organization. Employees may also lose the chance to amplify and expand their knowledge through the knowledge sharing process.

The results of the descriptive investigation also confirmed a positive effect of knowledge management practices on organizational performance. These findings can be used to improve the knowledge management components practice of each organization and each knowledge entity. Possible applications include business process restructuring initiatives, human capital development, knowledge mapping, the introduction of more team, cross functional working, increased emphasis on collaboration, the introduction of more formal channels for knowledge sharing.

This research has provided several important contributions.

1. to point out the relevance of knowledge management components practice in developing and maintaining in organizations for better organizational performance. Specifically, multiple past studies (e.g. Gold et al., 2001; Liao and Wu, 2009) have highlighted the importance of KM components initiatives to the work done by information technology does have a direct influence on organizational performance as an enabler of a better collaboration among people in the organization, motivation of people in the organization and the process view of the organization.

2. As a strong organizational culture arises consciously, senior management of selected international NGOs better sustain and nurture the relevant organizational culture that currently supports knowledge management components practices through formal procedure and rites of passage that help to prolong corporate culture by building morale.
3. All staff engagement survey to support improved staff engagement to reinforce an organizational culture of high efficiency and effectiveness of performance in these selected international NGOs.

Currently, many Ethiopian international NGOs have been implementing knowledge management initiatives, in order to improve their performance and obtain a sustainable competitive advantage. In this regard, the current study serves as a guide to decision makers, who seek to improve organizational performance and capturing the knowledge via KM program. KM program as a knowledge-based approach will guide and facilitate the process of performance improvement, thereby assisting the organization to achieve excellence performance and better meet the changing requirements of their both internal and external customers.

The findings indicate that selected international NGOs operating at Addis Ababa should emphasize greater attention to the key processes of KM components namely: organizational knowledge, organizational culture and information technology. This analysis provides a better understanding of the types of KM components packages and their associated features which will lead to better application of organizational performance.
To other researchers, future studies should attempt to identify the effect of critical success factors (CSFs) of KM implementation that may produce such differences. The theoretical model used in this study can also be tested by conducting cross-country studies. In addition, this study would help the researchers to identify important variables of KM components for international NGOs in developing countries, especially in the study of KM in Ethiopia.

This study covers only four international NGOs operating at Addis Ababa cities. More variations of results could be obtained through a wider coverage of respondents. Otherwise, a comparison between international and local NGOs could provide additional insights. For future study in line of this research, the researchers believe that the analysis pertaining to the effect of KM components on other performance indicators (such as non-international related NGOs achievement) along with international related NGOs achievement is essential. The relation between KM and organizational performance has been studied before (Muhammad, et al., 2012 and Jelenaet al.,2012), but dissipative studies in this field are very limited.

Though the reliability of the questionnaire was tested, the existence of subjectivity could not be avoided. It was concluded from this study that, data collection needed utmost care at the time of collection to control the quality of the data. Additionally, data collectors must have full expertise in their job and they should have sufficient understanding in narrating the questions in the questionnaire. The data must also be cleaned before going out of the field. Finally, the researchers hoped that this study would encourage attention towards further research in domain area for more empirical and descriptive studies.

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Annex

Annex I. List of Acronyms

DISMED	*Desertification Information Systems to Support National Action Programmes in Mediterranean*
CLEMDES	*Clearing house mechanism on desertification for the northern Mediterranean region.*
KM	*Knowledge management.*
UNDP	*United Nations Development Programme*
WFP	*World Food Programme.*
CO	*Country Office*
HR	*Human Resource*
ICT	*Information and Communication Technology*
IKM	*Information and Knowledge Management*
IT	*Information Technology*
KM	*Knowledge Management*
KMS	*Knowledge Management System*
KS	*Knowledge Sharing*
SEIC	*Socialization, Externalization, Combination and Internalization*
UN	*United Nations*
UNDP	*United nation Development Progarmmes*

Annex II. Questionnaire

Addis Ababa University College of Business & Economics Management Department EMBA Program

Survey Questionnaire to be filled by Managers & Employees

This survey is designed to obtain perceptual data for the dissertation entitled: "**Assessment the role of knowledge management in enhancing of organizational performance: in case of selected international NGOs operating in Ethiopia at Addis Ababa city**" to be submitted to Addis Ababa University College of Business & Economics Management Department for the fulfillment of **Executive Master of Business Administration (EMBA) Program.** The purpose of thesis is to suggesting possible recommendation which can help the organization to improve the knowledge management for enhancing organizational performance both developmental and social service projects in the country. **The survey requires you to spend about 15 to 20 minutes to complete all the items (if conceivable returnable time up to April 06, 2016)**. Once you have completed the survey, please return to the researchers as soon as possible via the contact person.

Survey instructions

- All information you provide on this survey is strictly confidential and it will be used only for research purpose.
- No other party will receive a copy of your response
- Please complete all of the items in the survey as soon as possible
- You are not required to write your name in this questionnaire.
- **Your response to right expedition and time has a great impact on the thesis paper, so hopefully you are one of the governess and prominence and notoriety of the paper.**
- Please tick or circle or make a brief writing where necessary.

If you have any question, please feel free to contact me @ 0927715922 or use my email: lemmekonnen@gmail.com. ormekotarekegn3@gmail.com.

Yours sincerely,

Lemlem Mekonnen

Part one

Personal Information

1. Organization name_____
2. Sex: □ Male □ Female
3. Age_____ years.
4. Highest educational qualification: □ Doctorate □ Masters □First degree □ Diploma (lever four) □ Certificate □ grade 10 and blow
5. Marital status: □ Married □ Single □ divorce
6. Nationality: □ Ethiopian □ None- Ethiopian
7. years of service in the current position_____
8. Position of department held by the respondents: □ Human Resource □ Field Officer □Procurement & Logistics □ Finance and Accounting □ ICT □ Marketing/communication

If any other, please specify it----------

Part two

The following items relate to your observation of individuals within your organization about knowledge management application at your organization. Please select only one response per item. Indicate the degree of agreement or disagreement that fits the situation in your organization. Please circle one choice for each of the following statements (1 = strongly disagree, 2=disagree 3= Neutral 4= Agree 5 = strongly agree; x = do not know / cannot answer).

A. List of the items used to analyze organizational knowledge

Ser. no	Items	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1	Knowledge sharing across departmental boundaries actively encouraged by top managers.	1	2	3	4	5
2	High Conversion rate of knowledge acquired from external and internal sources into useful and applicable forms to improve project operational activities formally.	1	2	3	4	5
3	There is a clear vision of how knowledge management is to be used in daily office undertakings.	1	2	3	4	5
4	The application of knowledge enables organizations continuously to translate their organizational expertise into embodied programmes.	1	2	3	4	5
5	Employees exchange knowledge with their co-workers freely and actively.	1	2	3	4	5
6	The effectiveness of utilizing (existing) knowledge in the organization is very well.	1	2	3	4	5
7	Employees consider their knowledge as an organizational asset.	1	2	3	4	5
8	Employees share their knowledge through informally.	1	2	3	4	5
9	Both tacit and explicit knowledge enable organizations to respond to novel situations in your organization.	1	2	3	4	5
10	Knowledge management (KM) success relies heavily upon the trust, creativity, team work and collaboration among employees.	1	2	3	4	5
11	The KM positioning emphasizes a set of preferred values and directions in your organization. (Connection over Collection, Decentralization over Centralization, Externalization over Internalization).	1	2	3	4	5
12	There is best mechanism method storing of Knowledge within the organization and includes physical resources as well as non-physical resources.	1	2	3	4	5
13	There is a Secured knowledge asset and keeps in a safe way and accessed only by authorized personnel.	1	2	3	4	5

B. List of the items used to analyze organizational culture

Ser. no	Items	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1	The management motivates staff to share knowledge by building trust, giving incentives, making available time and resources.	1	2	3	4	5
2	The management stimulates employee to capture experiences and lessons learned.	1	2	3	4	5
3	There is a good intra-team communication and sharing of knowledge.	1	2	3	4	5
4	The level of networking with partners, their relevance and satisfaction better than other similar projects operating in the city.	1	2	3	4	5
5	Knowledge sharing behavior like sharing, reusing knowledge is actively promoted by top level management.	1	2	3	4	5
6	Recording and sharing knowledge is a routine like any other daily works for employees.	1	2	3	4	5
7	Knowledge management is an integral part of organization core activities and is decentralized.	1	2	3	4	5
8	Employees are co-operative and helpful when asked for some information or advice.	1	2	3	4	5
9	Knowledge sharing is seen as a strength in your organization.	1	2	3	4	5
10	Organization's structural mood towards encouraging knowledge-related activities is best.	1	2	3	4	5

C. List of the items used to analyze Information Technology(IT)

Ser .no	Items	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
1	In your organization, IT tools are used to support collaborative work (e.g. video conferencing systems, communication tools).	1	2	3	4	5
2	Organization uses technology to enhance service quality in every department.	1	2	3	4	5
3	IT tools in your organization are simple to use and have a user-friendly interface.	1	2	3	4	5
4	Awareness of appropriate knowledge storage system and documented well for accomplished chores for future use.	1	2	3	4	5
5	There have been the IT systems in which employee can easily find the knowledge that they need.	1	2	3	4	5
6	Whether it is easy to find correct information in day-to-day environment.	1	2	3	4	5
7	The level of capturing knowledge (explicit or tacit) by the employees is higher with use of information technology tools.	1	2	3	4	5
8	There have been the systems that make easy use of available knowledge.	1	2	3	4	5
9	Organization has the right IT systems to capture and share new ideas and experiences.	1	2	3	4	5

D. List of the items used to analyze organizational performance.

Ser .no	Items	Strongly ..	Disagree	Neutral	Agree	Strongly agree
1	Fundraising efficiency ability is highly achieved on scheduled - time base.	1	2	3	4	5
2	There is high in gender diversity and satisfaction of employees.	1	2	3	4	5
3	There is obviously financial transparency (preparing reports and submitting to stakeholders and partners on time bases) in organization.	1	2	3	4	5
4	Organization has attempted and succeeded in creating value for each dollar/fund/ invested in project.	1	2	3	4	5
5	There is high level of networking with partners, their relevance and satisfaction.	1	2	3	4	5
6	There is remarkable service quality to beneficiaries, partners and other parties.	1	2	3	4	5
7	There is best use of the funds or financial resources to achieve the required or the planned outputs.	1	2	3	4	5
8	The long-term consequences of projects or program have positive performance effect.	1	2	3	4	5

Annex III: Sample Size Determination

Sample Size Determination:

The sample size for the quantitative study was administered through a structured questionnaire of 110 employees arrived based on the estimate from sample size determination employed using below formula derived by Kumar (2000). Statistical formula is annexed.

n = {Z 2 x p (1-p)}/d2

Description:

n = required sample size

Z 2 = confidence level at 80% CI (standard value of 1.28)

p = prevalence of key population parameter. In the absence of estimate for prevalence of key population parameter, value for p was considered as 0.5 for getting optimum sample size.

d = acceptable difference/margin of error at 5% (standard value of 0.05).

Important note: There was no design effect as simple random sampling technique was employed for selecting the ultimate sampling units (individual staff).

Assuming a high non-response rate as the individual interview was conducted using mail questionnaire, the non-response rate of 22.7% was considered. Therefore, the total sample size for the quantitative study on the structured questionnaire was estimated to be 85 + 85*.227 = 85 +25= 110.

DECLARATION

I, Lemlem Mekonnen Tarekegn, declared the project entitled "**The role of knowledge management in enhancing organizational performance**", is my original work under the guidance and suggestions of the research advisor. It offered for the partial fulfillment of the degree of Master of Arts in **Executive Master of Science in Business Administration.** This project has not been submitted for any degree in Addis Ababa University or any other universities.

And all sources of materials used for the project have been duly acknowledged.

Signed……. Date----------

Lemlem Mekonnen Tarekegn

This thesis has been submitted for examination with my approval as university advisor.

Dr. Workneh Tesma (Advisor)

Signature _____

Date _____