

Impact of Knowledge Management Practices on Employees' Performance in People's Bank of Sri Lanka

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When a firm's most experienced and knowledgeable employees are walking out the door, employers lose the institutional knowledge, firm's capabilities, best practices and customer insights by outgoing employees. Employee turnover leads to an increase in company's costs and exposes the company to risks. Further, when knowledgeable employees are rotated, they take customer insights, knowledge on products, services and processes with them affecting firm's productivity. Organizations face the problem of retaining or replacing the unique, context-dependent knowledge that explicit with the employees who are leaving. The purpose of this research is to examine the impact of knowledge management practices on employees' performance due to employee replacement. Data collected from existing employees and retired employees using five-point Likert scale questionnaire. The stratified simple random sample of 240 employees of People's Bank, Kandy Region in Sri Lanka were used to this study. The data was analyzed by using multiple regressions. Based on the findings, it was revealed, there are significant and positive relationships between the Knowledge Capture and Employee Performance, Knowledge Organization and Employee Performance, Knowledge Storage and Employee Performance and Knowledge Application and Employee Performance ($p < 0.05$). Therefore, this result implies that knowledge management should be practiced in order to improve employee performance in organizations. Hence, employers should review knowledge of employees on a regular basis and encourage them to keep current knowledge up-to-date, minimizing knowledge gap of employees' replacement and retirement. Further, it is recommended to develop a comprehensive explicit knowledge base virtually to be used as basis for problem solving.

Key words: *Employee performance, Knowledge management practices, Peoples' bank, Sri Lanka*