Knowledge Management and Job Performance in the Public Sector: The Mediating Role of Public Service Motivation

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Abstract

The growing of consciousness about public sector service effectiveness and efficiency are important issues among many countries including Malaysia. The publics have risen up concerns due to the current level of service condition and routine performance. Majority of the complaints points out about delays in service provision, unfair action/decision on part of administration, abuse of power and failure to enforce rules. Public sector service provider should alert the issues because communities are more educated than before, whereby they could compare the systems from other countries around the world. Due to the interest of addressing the practical and theoretical issues and proposing the understanding on factors which will influence job performance among public servants in local governments, the study intends to examine the role of public service motivation (PSM) as a mediator of knowledge management and job performance relationship. This study involved officers among the Management and Professional Group (MPG) (grade 41-54) from Malaysian Local Governments.

Questionnaires have been distributed to the middle managers of 149 Malaysian Local Governments representing 3 main categories; City Hall/ City Council, Municipal Council and District Council. This study used the partial least squares (PLS) and structural equation modeling (SEM) tools to examine factors influencing job performance. Statistical results confirm that knowledge management has an impact on job performance. Public service motivation also mediates the association between knowledge management and job performance. Findings will help management within local governments to provide best practices to employees and society. Limitations and suggestions for future research are also provided.

Keywords: Job Performance, Knowledge Management, Public Service Motivation, Local Government, Mediating Effect, Partial Least Square (PLS).
1.0 Introduction

Local government (LG) has played an important role in providing public services to the communities. They deal with the public level directly and their performances are important towards providing positive public perception to the overall government structure (Mohamed Osman, Jusoh, Bachok & Bakri, 2014). In general, “traditional role of local government authorities (LGs) is to provide services to its local residents with the aim of raising the standard of living through better social and physical facilities and services” (Onu, 1988). As stated, “Malaysian LGs play a significant role in planning, coordinating and controlling the development process at the local level” (Othman, 2005). As for Malaysian LGs, they would face more wide-ranging and dynamic demands from publics to improve forefront services. The public rates efficient services delivery as an absolute main concern, so it is crucial for councils to present the best services they able to do. A smart and knowledgeable public might not simply view forefront employee as front liners but they would also regard as rubbish collectors, enforcement officers, grass cutters and other LGAs employees as the front-line workers.

Since government’s performance is significantly influenced by their employees’ job performance, the issue relating the job performance of local government turns down with the question of how do local government authority officers perform their own jobs/tasks. Hence, employee performance standards were designed by the government to measure the performance of the organizations; job performance becomes the most crucial focus of administrators and academics (Salleh, Yaakub & Dzulkifli, 2011). Additionally, the issues of weakness of the LGs performance have been aroused many time and again by interested and affected parties (Hamdan, 2010).

Thus, the study intends to investigate extend of current the condition of LGs job performance. It is required in light to some features of greater understanding for local government job performance identified by certain factors, for instance knowledge management and public service motivation.

2.0 Literature Review and Hypothesis Development

2.1 Knowledge Management

For academicians and practitioners, knowledge management has been widely known as a core agenda and acknowledged as one of the most crucial sources of competitive advantage. Managing knowledge to achieve organizational performance is not only important for private sectors, but it is significant for the public sector as well (Abu Bakar, Virgiyanti, Tufail & Yusof, 2015). Hence, this study looking at the definition of knowledge management from few scholars. Moballeghi
& Galyani Moghaddam (2011), specifically described knowledge management practice as “the acquisition, sharing and use of knowledge within organizations, including learning processes and management information systems” (p.316). The combinations of information and communication technologies and the advent of new tools such as Intranets and groupware systems emphasize the importance of targeting knowledge rather than information or data. It also has been describes as “a systematic process for capturing and communicating knowledge people can use” (Moballeghi & Galyani Moghaddam, 2011; p. 316). Some said “it understands what your knowledge assets are and how to profit from them.” (p.316). However, on the other side of that, some said “to obsolete what you know before others obsolete it.” (p.316). Basically, the simplest definition about knowledge management is “sharing what we know with others” (Moballeghi & Galyani Moghaddam, 2011, p. 316). Syed Ikhsan and Rowland (2004) in their study described knowledge management as a structured and organized effort to use knowledge surrounded by the organization to provide services to the public and to improve performance.

Out of these definitions, the emphasis is on human know-how and how it brings value to an organization. Nevertheless, employing individual proficiency in order to obtain the greatest output for an organization is not an easy task.

2.2 Job Performance

Job performance term is debatably as one of the most significant dependent variable of interest among businesses, the government, educators and society. This term has been researched for a long decade on reaching the general definitions and conceptualizations of individual level job performance. Generally, job performance is a key term applied to portray how good a worker performs on his or her task-related duties (Murphy, 1989; Rotundo, 2000 & Smith, 1976). In other words, it should be viewed as behaviors rather than results. Performance is crucial to employees and employers since it certainly manipulate few decisions about terminations, promotions, merit increases and bonuses (Caillier, 2010). As too much attention has been given about the organizations’ aspect, individual job performance has been studied comprehensively by administrative theorist. It has begun in the early 1900’s with Frederick Taylor’s, his argument which organizations could raise employee productivity by recognizing and regulating the most competent schedule needed. So far, however, there has been a criticism on this study since it highlighted on “mechanization” instead on humanistic side inside the organization (March & Simon, 1958).

Generally, job performance has been clarified as actions which lead towards organizational goals and it is under
individual’s control. Rotundo (2000) argues about this definition comprise “a wide range of job behaviors and that some behaviors contribute to the employee’s duties and responsibilities, while other behaviors still affect the goals of the organization but do not fall under duties and responsibilities”.

The term of job performance which defined by most authors (Borman & Motowidlo, 1993, 1997; Campbell, 1990; Motowidlo & Schmit, 1999 & Motowidlo & Scotter, 1994) are known as the most commonly cited in the literature and it is conceived as presenting that job performance should be measured as behavioral outcomes that consist of task performance and contextual performance.

Borman and Motowidlo (1993) argued that the entire job performance might be segregated by the general dimensions of task performance and contextual performance. They illustrated task performance or in-role performance as “the proficiency with which job incumbents perform activities that are formally recognized as part of their jobs, activities that are contribute to the organization’s technical core either directly by implementing a part of its technological process, or indirectly by providing it with needed materials or services” (Borman & Motowidlo, 1993; p.73). Then, they portray contextual performance or extra-role performance as “discretionary behaviors that apply across all jobs are not necessarily role prescribed and that contribute to the social and psychological environment of the organization. For examples, the contextual activities are “volunteering, persisting, helping, cooperating and following rules” (Borman & Motowidlo; 1993, p.73). Both terms have been recognized as it varies between different jobs assigned.

In addition, Murphy (1989, p.858) have listed the four dimensions of job performance area that is known as “(1) task behaviors, (2) interpersonal behaviors (communicating and cooperating with others), (3) downtime behaviors (work-avoidance behaviors) and (4) destructive/hazardous behaviors (behaviors that lead to a clear risk of productivity losses, damage or other setbacks)”. While, Campbell (1990: p. 858) categorized eight job performance dimensions: “(1) job-specific task proficiency, (2) non-job specific task proficiency, (3) written and oral communications, (4) demonstrating effort, (5) maintaining personal discipline, (6) facilitating peer and team performance, (7) supervision, and (8) management and administration”.

Based on the 486 measurement from the conceptual of job performance’ literatures, Viswesvaran (1993) have identified 10 dimensions about individual job performance. Out of overall general factor, he also acknowledged “productivity, quality of work, job knowledge, communication competence, effort, leadership, administrative competence, interpersonal
competence and compliance with/acceptance of authority” (Viswesvaran, 1993).

2.3 Knowledge Management and Job Performance Relationship

According to McAdam & O’Dell (2000), the use or benefits of knowledge management in their study discovered both of private and public organizations perceived benefits via the improvement of quality, efficiency and effectiveness, learning of management and minimization of products and services operational cost. Conversely, responses from public sector received more significant value, “reflecting the current drive for efficiency in all areas of the public sector and recognition that knowledge can make an important contribution”.

Most studies highlighted the correlation between knowledge management and job performance (Al-Athari & Zairi; 2000), unique challenges in knowledge sharing in government sector (Liebowitz & Chen; 2003), knowledge management in term of procedures and policies, job manual procedure, ISO 9002, desk file, work flow, data bases and management issues of knowledge management in public sector organizations (Syed Ikhsan & Rowland; 2004).

Past researches about knowledge management and job performance in the public sectors indicated that employees with knowledge management were more positive towards their job performance (Chong, Salleh, Syed Ahmad & Syed Ikhsan, 2011; Du, Ai and Ren, 2007; Girard & McIntyre, 2010 & Sandhu, Jain & Ahmad, 2011). In contrast, there is significant negative association between ICT know-how and skills, and organizational performance. This is due to the reality that the accountants perceived themselves as professionals in their field of expertise. Therefore, their exposure to ICT has limited them on performing their jobs (Chong, Salleh, Syed Ahmad & Syed Ikhsan, 2011).

Additionally, Skyrme (2003) suggests that knowledge management can play an important role in increasing efficiency in decision making and public service delivery. On the other hand, Jones (2001) revealed that many researchers admitted that there are many concepts that support the association between knowledge sharing and performance, but empirical research is limited.

However, there are some main individual hurdles occurred during the knowledge management practice in the public sector organizations as shortage of time, low communication and shortage of interpersonal skills (Sandhu, Jain & Ahmad, 2011). Furthermore, the vital organizational barriers were deficient of Information Technology systems and be deficient in term of rewards and recognition. Sandhu, Jain and Ahmad (2011) suggested for upcoming
A study on knowledge management in the public organization might also observe the effect on job/ task related outputs such as efficiency, productivity, commitment, performance and others. So far, very few researches had explored the effect of knowledge management on public sector organizational outcomes. Therefore, researcher of the current study has developed the following hypothesis:

H1: There is a significant relationship between knowledge management and job performance.

2.4 Mediating Effect of Public Service Motivation (PSM) on the relationship between Knowledge Management and Job Performance

This study hypothesize that public service motivation mediates the association between knowledge management and job performance. The implications of public service motivation for public employees’ work related behavior has received much attention. Based on the researches by Perry and Wise (1990), they proposed some potential behavioral implications of public service motivation. They predicted public service motivation would be positively linked with job satisfaction, organizational commitment, performance, and retention.

Basically, employees with a higher level of public service motivation tend to be more pleased, dedicated, and productive members of their organizations. This research will focus on the potential impact of PSM as a mediator between knowledge management and job performance. Some scholars claim that public service motivation is not a government monopoly instrument but in contrast, it is viewed as a helpful construct to describe for behavior not only of public sector workers but also together with private sector staff since a small amount of numbers was found as an empirical evidences of supporting the statement (Liu, 2009; Perry, 1997; & Naff & Crum, 1999).

A study by Camilleri and Van Her Heijden (2007) applied organizational commitment and public service motivation (PSM) as mediators between other factors on employee performance. The results indicated that employee perception about how good the organization is handled is likely higher result in organizational commitment, therefore leading to a higher level of public service motivation and performance. The results further proved that job characteristics have direct effect on both organizational commitment and public service motivation however no direct effect on performance was found.

Based on a study by Xiaohua (2008), it has been discovered that public service motivation has direct relationship on individual performance. The result also produced an indirect major outcome on job performance through job satisfaction. From
these findings, it showed that individual job performance would be better by growing public sector workers’ job satisfaction. Public service motivation is also proven as having significant positive association with government workforce’s job performance. Higher levels of public service motivation account higher levels of job performance on each employee.

A study by Ko and Han (2013) found that public service motivation is an intervening variable between gender and sectoral job choice. However, the current study only incorporated two measurement; “chance to benefit society” and “chance to make a contribution to an important decision” whereby the results turns out to be a non-significant motivator on both private and public job hunters. Their study also shifts the focus of public service motivation on civil servant to university student who is looking for a job. Therefore, it is recommended that Chinese government should monitor job motivation patterns for the public sector and design the employment process based on the higher public service motivation holders.

A literature study by Jangkingthong and Rurkkhum (2012) has proposed a conceptual framework on factors affecting job performance using SEM. Outcome from the research exposed some factors such as transformational leadership; organizational justice, work engagement, and PSM have direct effects on task and contextual performance. However, transformational leadership generates no direct effects on task and contextual performance throughout organizational justice, work engagement and public service motivation. As in their study, public service motivation has been proposed as a mediator between transformational leadership and job performance. They suggested for future empirical studies should enhance the impact of each antecedent variable.

There are three studies that applied performance incorporated mediators in their models. For example, Bright (2007) applied self-reported performance as the dependent variable in his research model to examine person-organization fit as a mediator between the correlation of public service motivation and performance. He revealed that public service motivation is mediated by the fit scale with indirect effects, but no independent direct effects emerged from the sample of public health care employees among each level of government. Therefore, the researcher has developed the hypothesis as follows:

\[ H2: \text{PSM mediates the relationship between knowledge management and job performance.} \]

### 3.0 Methods

Data was collected through questionnaires distributed to a sample of 1336 respondents who are Malaysian Local
Government Officers (group of management and professional) from The Ministry of Urban Wellbeing, Housing and Local Government of Malaysia (Kementerian Kesejahteraan Bandar, Perumahan dan Kerajaan Tempatan Malaysia). A total of 682 responses were received and usable, producing 54.6% as an acceptable usable response rate. The construct measurements were adopted from previous studies (Knowledge Management- Lee, Lee & Kang, 2005; Public Service Motivation-Perry, 1996; & Job Performance-Koopmans, Bernaards, Hildebrandt, Schaufeli, Vet, & Beek (2011) & Koopmans, Bernaards, Hildebrandt, Buuren, Beek, & Vet (2013)

This study practices partial least square (PLS) to test hypothesis with structural equation model (SEM). PLS is considered an approach which can provide much value for causal inquiry in communication-related and behavioral research fields (Lowry & Gaskin, 2014). Besides, PLS is powerful in modeling which allows for complex models that include latent (unobserved) variables, formative variables, chains of effects (mediation), and multiple group comparisons of these more complex relationships. PLS has the capability to calculate t-values through a technique called bootstrapping if the data are normally distributed and samples are independent. Therefore, the Partial Least Square (PLS) procedure and structural equation modeling tool (Smart-PLS 2.0 M3) by Ringle, Wende, & Will (2005) are used to analyze the data.

4.0 Results and Discussions

Table 1 summarizes the descriptive statistics of respondent’s profile and characteristics, in terms of their gender, age and education level. Referring to the Table 1, looking at the age group, the highest number of respondents are between 31-40 years old (41.3%), followed by the age group between 41-50 years old (23.2%) and between 21-30 years old (22.4%) while the lowest number of respondents are above 50 years old (13.1%). With regard to educational level, 70% of respondents hold bachelor degree (undergraduate), followed by master degree (15.9%), diploma (11.8%), other professional qualification (1.7%), and the smallest lowest number of respondents attained doctor of philosophy with the rate of 0.6%.

<table>
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<tr>
<th>Categories</th>
<th>Frequency</th>
<th>Percentage</th>
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<td><strong>Age:</strong></td>
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<td>Above 50 years</td>
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<td><strong>Total</strong></td>
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<td><strong>Highest Education:</strong></td>
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<tr>
<td>Diploma</td>
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</table>
Undergraduate 462 70.0  
Master 105 15.9  
Doctor of Philosophy 4 0.6  
Other professional qualification 11 1.7  
Total 660 100%

### 4.1 Measurement Model

Reliability test adopts quality criteria, which includes Composite Reliability (CR) and Cronbach Alpha (CA). The CR measurement illustrates that all variables have coefficient greater than 0.8. This result implies that all variables are accepted reliability. The measure of average variance extracted (AVE) shows that all variables have greater number than 0.5. This result indicates that all variables are adequate convergent validity (refer Table 2).

In order to evaluate the reflective measured model’s outer loadings, composite reliabilities, average variance extracted (AVE = convergent validity) and discriminant validity were assessed. Table 2 illustrates that all reflective constructs have high level values of internal reliability and consistency, as demonstrated by the above composite reliabilities values. As can be seen from Table 2, the composite reliability coefficient of each latent constructs ranged from 0.848 to 0.915 for knowledge management and job performance respectively, with each exceeding the minimum acceptable level of 0.70, suggesting adequate internal consistency reliability of the measures used in this study (Hair, Hult, Ringle & Sarstedt, 2014).

To measure the formative construct (Public Service Motivation), Hair, Ringle, & Sarstedt (2013) propose that indicators theoretically represent the constructs independently and are not highly correlated. With respect to formative measures, AVE and correlations, composite reliability and loadings versus cross-loadings do not apply since formative items are viewed as multidimensional and are not similar measures (in a convergent validity) reflecting the same underlying construct (Chin, 2010). In the case of formative measurements, rather than determining the factor loadings, one will only examine the factor weights (Ruiz et al., 2010). Hence, the convergent validity by using analysis for the formative construct is tested. Table 2 shows the formative measurements with the indicator tolerance (VIF) below 5, and the t-values for all items are significant and weight above 0.10, which confirms that public service motivation is a formative construct.

To assess the convergent validity for each construct, the standardized factor loadings were applied to determine the validity of the two constructs (Anderson & Gerbing, 1988). Based on Chin (1998), the AVE values (see table 2) exhibited high loadings (> 0.5) indicating that on average, the constructs explain more than half of the variance of its indicators. The findings showed that each factor loading for the reflective indicators ranged from 0.5553 to 0.844. An AVE of less than 0.50 however indicates that, on
average, more error remains in the items than the variance explained by the constructs. Therefore, results of this investigation show that this study’s measurement model has demonstrated an adequate convergent validity.
Figure 1
Measurement Model

Note: KM = Knowledge Management, PSM = Public Service Motivation, JP = Job Performance

Table 2
Construct Validity for Reflective and Formative Constructs.

<table>
<thead>
<tr>
<th>First Order Construct</th>
<th>Second Order Construct</th>
<th>Scale Type</th>
<th>Item</th>
<th>Loadings</th>
<th>AVE</th>
<th>CR</th>
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<tr>
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<td>KM3</td>
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<th>Item</th>
<th>Loadings</th>
<th>AVE</th>
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4.2 Structural Model Results

Using a bootstrapping technique with a-sampling of 1000, the path estimates and t-statistics were calculated to test the hypothesized relationships. The bootstrapping procedure is needed to be carried out in order to obtain standard errors to determine the significance of the coefficients and for the test of hypotheses (Hair et al., 2014). Figure 2 and table 3 show the estimates for the structural model measurement. Table 3 illustrates the structural model analysis. Based on the analysis, it shows that there is a relationship between KM and job performance ($\beta=0.423$, $t=12.816$, $p<0.01$). As a result, hypothesis H1 was supported.

Public service motivation is formally hypothesized to be a mediator in the relationship between knowledge management and job performance constructs. Based on all the provided steps, the bootstrapping analysis showed that only 1 indirect effect $\beta=0.000852$ was significant with a t-value of 3.539. Thus, we can conclude that the mediation effect is statistically significant for hypothesis 2. Thus, hypothesis H2 was supported.
H2  KM$\rightarrow$ 0.00  0.000  3.5393  Supp
PSM$\rightarrow$JP  2  2  7588*  sorted  **p<0.01, *p<0.05

Figure 2
Structural Model

Note: KM = Knowledge Management, PSM = Public Service Motivation, JP = Job Performance
5.0 Discussions

The first objective of this study was to determine the association between knowledge-management and job performance. This objective leads to the testing of the first research hypothesis, H1 which states that there is a significant association between knowledge management and job performance. In this research, the result from the model presents that knowledge management has a significant effect towards job performance. Therefore, posited that H1 is supported. Significant relationship suggests that when an individual employee in the organization is engaged with knowledge management, the better is his/her performance. In other words, it simply means that presenting a higher level of knowledge management would result in a higher level of job performance of the local government authority in Malaysian public sector organizations.

Hence, the improved performance leads to enhance service delivery by the employees (Ismail & M.Yusof, 2009). These findings are congruent with the earlier works of Al-Athari and Zairi (2001), Chong, Salleh, Syed Ahmad and Syed Ikhsan (2011), Du, Ai and Ren (2007), Girard and McIntyre (2010), Liebowitz and Chen (2003), McAdam and O’Dell (2000) and Syed Ikhsan and Rowland (2004). The findings from these research stressed that knowledge management factors plays a significant role in job performance on public sector organizational. It is also in line with Skyrme (2003) who stated that knowledge management is able to increase efficiency in decision making and public service delivery. Earlier researcher such as Jones (2001) mentioned that many concepts support the relationship between knowledge management and performance, but empirical research is limited. However, this present study has supported Sandhu, Jain and Ahmad’s (2011) suggestion as they proposed for further research on knowledge management in the public organization that researcher should observe the effect on job/task related output such as efficiency, productivity, commitment, performance and others.

5.1 Mediating Effect of Public Service Motivation on the relationship between Knowledge Management and Job Performance

One of the objectives of this study was to examine the mediating effect of public service motivation on the relationship between knowledge management and job performance. This objective leads to the testing of Hypothesis H2, which states that public service motivation mediates the association between knowledge management and job performance. By performing bootstrapping procedure, the researcher found evidence that mediating
effect of public service motivation on the association between knowledge management and job performance meets the requirements of mediation as pointed by Preacher and Hayes (2009). Therefore, Hypothesis H2 is supported.

This result suggests that Malaysian local government authority officers who practice knowledge management indirectly influence their job performance by mean of involving public service motivation. Thus, it can be said that local government authority officers’ public service motivation plays an important role through which officers with knowledge management would develop their own job performance in Malaysian local government authorities.

With regard to this study, the result proved that the effect of knowledge management on job performance has a mediating association where public service motivation acts as a channel in improving the effect of the relationship between Malaysian local government authority officers’ knowledge management and job performance. As suggested by Preacher and Hayes (2004; 2008), the “bootstrapping” procedure has been recognized as one of the more rigorous and powerful method for testing the mediating effect (Hayes, 2009; Shrout & Bolger, 2002; Zhao, Lynch, & Chen, 2010). Further, Hair et al., (2013) also noted that “when testing mediating effects, researchers should rather follow Preacher and Hayes (2004; 2008) with the bootstrap the sampling distribution of the indirect effect, which works for simple and multiple mediator model” (p.223).

Finding of the present study has helped to fill the gap in the literature with regard to the role of public service motivation as a mediator in the association between knowledge management and job performance, specifically in Malaysian local government authority context. Previous studies have included public service motivation as a mediator variable in their research but with different dependent variables such job satisfaction, leadership, work engagement and organizational justice. Studies by Camilleri and Van Her Heijden (2007), Xiaohua (2008) discovered public service motivation as mediator between job satisfaction and employee performance while Xiaohua (2008) found that public service motivation has a direct relationship with individual performance through job satisfaction. A study by Jangkingthong and Rurkkhum (2012) proposed several factors such as transformation leadership, organizational justice, work engagement and public service motivation as mediators. The result outcome also mentioned that public service motivation have direct effects on task and contextual performance.

The present study reveals that the addition of public service motivation as a mediator into the relationship between Malaysian local government authority officers’ knowledge management and job
performance resulted in a positive relationship. Hence, based on this finding, it revealed that individual job performance as a mediator has contributed to the association between knowledge management and job performance.

6.0 Recommendations and conclusion

Based on the research outcomes and discussions, the current study has flagged few suggestions for future research. Firstly, the research sample should be extended to a larger population, such as to include other local government sectors in Malaysia. It could be more significant and colorful results to understand the new knowledge about the relationships between all variables of interest in this present study. Next, future studies should further include private sectors in assessing the relationship for various outcomes. A comparison study could also be conducted between public and private sectors using the same instruments. It is hope so that the instruments could be enhanced its reliability and validity from different contexts of study. As a conclusion, this study has provided empirical evidences on the associations between knowledge management and job performance. In addition, the mediating effect of public service motivation between the relationship of knowledge management and job performance has been examined. Both results from PLS-SEM have been proven to be significant whereby public service motivation has been determined as a mediator between knowledge management and job performance in the context of public sector.

References:


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