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The Role of Knowledge Management Capabilities in Enhancing Organizational Learning and Decision-Making Quality

Original Article

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Abstract

In an increasingly knowledge-driven and uncertain business environment, organizations are required to continuously learn and make high-quality decisions to sustain competitiveness and long-term performance. This study investigates the role of knowledge management capabilities in enhancing organizational learning and decision-making quality, with organizational learning positioned as a mediating mechanism. Using a quantitative research design, data were collected through a cross-sectional survey of employees working in knowledge-intensive organizations. The proposed research model was tested using Partial Least Squares Structural Equation Modeling (PLS-SEM). The results reveal that knowledge management capabilities have a significant positive effect on organizational learning and decision-making quality. Furthermore, organizational learning significantly enhances decision-making quality and partially mediates the relationship between knowledge management capabilities and decision-making quality. These findings highlight that effective knowledge management not only provides direct informational support for decision making but also strengthens organizational learning processes that transform knowledge into improved decision outcomes. This study contributes to the knowledge-based view and organizational learning literature by offering an integrated framework that explains how knowledge management capabilities create value through learning and decision-making quality. From a practical perspective, the results suggest that organizations should strategically invest in both knowledge management systems and learning-oriented cultures to enhance decision effectiveness in dynamic environments.

Keywords: Knowledge Management Capabilities; Organizational Learning; Decision-Making Quality; Knowledge-Based View; Structural Equation Modeling (SEM).

1. Introduction

In today's dynamic and knowledge-driven economy, organizations are increasingly confronted with complex, uncertain, and fast-changing environments that demand rapid learning and high-quality decision-making. Technological advancements, globalization, and intensified competition have transformed knowledge into a strategic asset that determines organizational survival and long-term performance. As a result, organizations are no longer evaluated solely based on their tangible resources, but rather on their ability to effectively manage, integrate, and leverage knowledge to support learning processes and informed decision-making (Donate & de Pablo, 2021; Ferraris et al., 2023). Within this context,

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knowledge management capabilities (KMCs) have emerged as a critical organizational competence that enables firms to transform individual and collective knowledge into actionable insights.

Knowledge management capabilities refer to an organization's ability to acquire, create, store, share, and apply knowledge systematically to achieve strategic objectives. These capabilities encompass both technological and social dimensions, including knowledge infrastructure, organizational culture, leadership support, and human capital practices (Alavi et al., 2023). Recent studies suggest that organizations with strong knowledge management capabilities are better positioned to foster organizational learning, enhance adaptive capacity, and improve decision-making quality in complex environments (Zhang et al., 2022; Abubakar et al., 2023). However, despite growing scholarly attention, the mechanisms through which KMCs contribute simultaneously to organizational learning and decision-making quality remain insufficiently explored.

Organizational learning is widely recognized as a continuous process through which organizations develop new knowledge, modify existing routines, and improve collective understanding in response to internal and external stimuli. It enables organizations to detect errors, experiment with new ideas, and adapt strategies based on experience and feedback (Fiol & Lyles, 1985; revalidated by Wang et al., 2021). In the contemporary organizational landscape, learning is no longer an incidental outcome but a strategic necessity. Organizations that fail to learn effectively often struggle to respond to environmental changes, leading to poor decisions and declining performance (Santos-Vijande et al., 2022). Knowledge management capabilities play a pivotal role in facilitating organizational learning by ensuring that relevant knowledge is captured, shared across functional boundaries, and embedded into organizational processes.

The relationship between knowledge management capabilities and organizational learning has been empirically supported in recent literature. For instance, Donate and de Pablo (2021) argue that effective knowledge management systems enhance both exploratory and exploitative learning by promoting knowledge accessibility and collaboration. Similarly, Ali et al. (2022) demonstrate that knowledge sharing and knowledge application capabilities significantly strengthen learning routines, enabling organizations to continuously refine their practices. These findings underscore the importance of KMCs as foundational enablers of organizational learning, particularly in knowledge-intensive industries.

Beyond learning, decision-making quality has become a central concern for organizations facing increasing uncertainty and information overload. Decision-making quality refers to the extent to which organizational decisions are accurate, timely, evidence-based, and aligned with strategic goals. High-quality decisions rely not only on data availability but also on the organization's ability to interpret information, integrate diverse perspectives, and apply relevant knowledge effectively (George et al., 2022). Poor decision-making, on the other hand, can result in strategic misalignment, resource misallocation, and long-term organizational failure.

Recent studies emphasize that knowledge management capabilities significantly influence decision-making quality by improving information processing, reducing ambiguity, and enhancing analytical capabilities (Martins et al., 2022; Rafique et al., 2024). When organizations possess robust mechanisms for knowledge acquisition and dissemination,

decision-makers are better equipped to access relevant insights, evaluate alternatives, and anticipate potential consequences. Moreover, organizational learning acts as a critical intermediary that translates managed knowledge into improved decision outcomes, suggesting a synergistic relationship between KMCs, learning, and decision-making quality.

Despite the growing body of research on knowledge management and organizational outcomes, several gaps remain. First, many prior studies have examined the impact of knowledge management capabilities on performance or innovation, while comparatively fewer have focused on decision-making quality as a distinct and strategic outcome (Ferraris et al., 2023). Second, existing research often treats organizational learning as an isolated construct rather than examining its integrative role in linking knowledge management capabilities with decision-making processes. Third, empirical evidence remains fragmented across different contexts, highlighting the need for a more comprehensive framework that explains how KMCs enhance both organizational learning and decision-making quality in a unified model.

Addressing these gaps is particularly important in the current era of digital transformation, where organizations are inundated with data but cannot frequently convert information into meaningful knowledge for learning and decision-making. Advanced technologies such as artificial intelligence and big data analytics can only deliver value when supported by strong knowledge management capabilities and a learning-oriented culture (Khan et al., 2023). Consequently, understanding the role of KMCs in fostering learning and improving decision quality has both theoretical and practical significance.

From a theoretical perspective, this study contributes to the knowledge-based view of the firm by clarifying the mechanisms through which knowledge management capabilities influence organizational learning and decision-making quality. From a managerial perspective, the findings provide insights for leaders and policymakers seeking to design effective knowledge management strategies that enhance learning capacity and support high-quality decisions in complex environments. Therefore, this research seeks to systematically examine the role of knowledge management capabilities in enhancing organizational learning and decision-making quality, offering an integrated and empirically grounded understanding of these critical organizational processes.

The primary objective of this study is to examine the role of knowledge management capabilities in enhancing organizational learning and decision-making quality by analyzing how organizations acquire, share, and apply knowledge to support continuous learning and informed decision-making processes. Specifically, this research aims to investigate the direct influence of knowledge management capabilities on organizational learning, assess the impact of organizational learning on decision-making quality, and evaluate the overall contribution of knowledge management capabilities to improving decision outcomes in organizational contexts.

2. Literature Review and Hypothesis Development

2.1. Knowledge Management Capabilities

Knowledge management has emerged as a strategic organizational resource that enables firms to systematically capture, share, and apply knowledge for competitive advantage (Nonaka & Takeuchi, 1995; reconceptualized in recent literature). In contemporary research, knowledge management capabilities (KMCs) are conceptualized as an organization's ability to effectively perform knowledge acquisition, storage, dissemination, and application processes in support of organizational objectives (Ariyantika et al., 2025). These capabilities are dynamic and enable firms to adapt to complex environments by transforming individual and collective knowledge into tangible outcomes (Donate & de Pablo, 2021; as applied in current KM studies).

KMCs encompass not only technological systems and infrastructure but also human and social elements such as leadership support, organizational culture, and collaborative practices that facilitate knowledge flow (Alavi et al., 2023). Empirical research confirms that organizations with robust KMCs exhibit stronger performance outcomes because they can leverage knowledge as a critical resource for innovation, learning, and strategic adaptation (Ferraris et al., 2023; Alharthi, 2025). Additionally, studies indicate that KMCs help organizations cope with environmental complexity by improving information availability, reducing uncertainty, and supporting evidence-based choices (Sager Alharthi, 2025). This foundational role of KMCs in organizational processes suggests that they are key antecedents for both learning systems and high-quality decision making.

2.2. Organizational Learning

Organizational learning concerns the processes through which organizations develop, refine, and institutionalize knowledge to improve performance and adapt to changing environments. It involves continuous knowledge acquisition, interpretation, integration, and retention across individuals and units within the organization (Wang et al., 2021; Jan et al., 2025). Organizational learning facilitates not only knowledge updating but also the development of shared mental models, routines, and adaptive capacities that underpin long-term competitive advantage.

Empirical evidence supports a strong link between KMCs and organizational learning. For example, organizations that have established mechanisms for knowledge sharing and storage tend to experience higher levels of organizational learning because these mechanisms reduce barriers to information flow and increase opportunities for collective sense-making (Assoufi et al., 2024; Jan et al., 2025). Furthermore, through knowledge capture and sharing, firms can prevent knowledge loss, integrate lessons from past decisions, and stimulate creativity and innovation (Assoufi et al., 2024; Alharthi, 2025).

The literature also underscores how digital transformation amplifies the effect of knowledge management on learning. The integration of digital technologies enhances knowledge availability and interaction platforms, which in turn strengthen organizational learning processes (Havidotinnisa & Rofaida, 2025). These insights align with the knowledge-based view (KBV), which posits that the ability to manage knowledge effectively is fundamental to organizational learning and adaptation in competitive environments.

2.3. Decision-Making Quality

Decision-making quality is defined as the extent to which decisions are informed, timely, aligned with organizational strategies, and grounded in accurate, relevant knowledge inputs. High-quality decisions are characterized by clear problem definition, extensive informational support, collaborative evaluation of alternatives, and effective implementation plans (George et al., 2022). In complex and dynamic organizational environments, the ability to consistently make high-quality decisions determines how effectively firms respond to competitive challenges and environmental disruptions.

Recent studies illustrate that decision-making quality is significantly influenced by knowledge management processes. When organizations possess sound capabilities to gather, organize, and disseminate knowledge, decision makers are better equipped to analyze situations, anticipate future conditions, and select the most appropriate actions. A systematic mapping study of knowledge management and decision-making highlights that effective knowledge management enables improved access to information, collaborative decision systems, and more accurate choices (Assoufi et al., 2024). Similarly, research specific to strategic contexts suggests that knowledge management enhances decision quality by reducing ambiguity and increasing the reliability of information used in decision processes (Ferraris et al., 2023; Sager Alharthi, 2025).

Importantly, organizational learning functions as a mediator in this relationship. Learning mechanisms ensure that experiences and insights from past decisions become institutionalized as updated knowledge reserves, which can then inform future choices (Jan et al., 2025). Consequently, decision quality is not simply a direct outcome of knowledge availability but also a function of how effectively an organization learns from its experiences.

2.4. Interrelationships Among Constructs

The integration of these streams reveals a conceptual framework in which KMCs enhance organizational learning, which in turn improves the quality of decision-making. First, KMCs serve as foundational capabilities that enable the systematic capture and distribution of knowledge across organizational units. By enhancing knowledge flows, firms create fertile ground for both individual and collective learning. Organizational learning then enriches the knowledge ecosystem by updating shared assumptions, routines, and interpretive frameworks that support better reasoning and judgment. These enriched cognitive frameworks allow decision makers to interpret data more effectively, consider alternative perspectives, and reduce cognitive biases in decision processes.

Moreover, the adoption of digital tools and knowledge platforms amplifies these effects by facilitating seamless knowledge access and collaborative learning environments (Havidotinnisa & Rofaida, 2025). Research in digital transformation contexts confirms that technology-enabled knowledge sharing and learning accelerate organizational responsiveness and decision accuracy, particularly under uncertainty.

2.5. Hypothesis Development

Based on the reviewed literature and theoretical reasoning, the following hypotheses are proposed:

H1: Knowledge management capabilities have a positive and significant effect on organizational learning.

Extensive research indicates that knowledge acquisition, sharing, and utilization mechanisms have a direct impact on an organization's capacity to learn, as they reduce barriers to information access and foster collaborative understanding (Assoufi et al., 2024; Alharthi, 2025). When KMCs are strong, organizations are better equipped to absorb and apply new knowledge, resulting in continuous learning improvements.

H2: Organizational learning has a positive and significant effect on decision-making quality.

Organizational learning shapes decision-making processes by embedding lessons learned, collective experience, and improved interpretive frameworks into organizational routines, thereby increasing decision quality (Jan et al., 2025). Learning enables decision makers to draw on rich knowledge bases when assessing situations and developing solutions.

H3: Knowledge management capabilities have a positive and significant effect on decision-making quality.

Because KMCs enhance the availability, relevance, and usability of knowledge resources, they directly support enhanced decision-making processes by reducing uncertainty and increasing informational support for choices (Assoufi et al., 2024; Ferraris et al., 2023).

H4: Organizational learning mediates the relationship between knowledge management capabilities and decision-making quality.

Given that KMCs strengthen organizational learning and that learning, in turn, influences decision quality, it follows that organizational learning mediates the effect of knowledge management capabilities on decision-making quality. Thus, the impact of KMCs on decision quality is at least partly transmitted through improved learning processes.

3. Method

3.1. Research Design

This study adopts a quantitative research approach using a cross-sectional survey design to examine the role of knowledge management capabilities in enhancing organizational learning and decision-making quality. A quantitative design is appropriate because the study aims to test hypothesized relationships among latent constructs and to generalize findings across organizational contexts using statistical inference (Hair et al., 2022). The cross-sectional nature of the study allows data to be collected from respondents at a single point in time, which is suitable for examining perceptual and behavioral constructs such as knowledge management practices, learning processes, and decision-making quality.

The research framework is grounded in the knowledge-based view (KBV) and organizational learning theory, which posit that organizational capabilities related to knowledge acquisition, sharing, and utilization are critical drivers of learning and decision effectiveness. Structural relationships among the constructs are empirically tested using Structural Equation Modeling (SEM).

3.2. Population and Sample

The population of this study consists of employees working in knowledge-intensive organizations, including firms operating in sectors such as education, services, technology, finance, and manufacturing. These organizations were selected because knowledge creation, learning, and decision-making play a central role in their operational and strategic activities.

A purposive sampling technique was employed to ensure that respondents possessed adequate knowledge and experience related to organizational processes and decision-making. The inclusion criteria required respondents to:

1. Be full-time employees,
2. Have at least one year of organizational tenure, and
3. Be involved in knowledge-related activities such as information sharing, reporting, analysis, or managerial decision-making.

The sample size was determined based on SEM requirements. Following the guidelines of Hair et al. (2022), a minimum sample size of 200 respondents is considered adequate to achieve sufficient statistical power and model stability for SEM analysis. This study targeted a larger sample to enhance robustness and account for potential data screening losses.

3.3. Data Collection Procedure

Data collection uses an online structured questionnaire distributed through email and organizational communication platforms. Respondents receive an invitation explaining the purpose of the research, confidentiality assurances, and consent requirements. Participation is voluntary.

The steps include:

1. Initial contact and permission from organizational administrators or HR departments.
2. Distribution of survey links to eligible respondents.
3. Follow-up reminders after one and two weeks to increase response rates.
4. Data screening to ensure completeness and reliability.

Respondents are assured that their responses will remain anonymous and will be used solely for academic analysis.

3.4. Instrument of Variables

Primary data were collected using a self-administered structured questionnaire distributed electronically via online survey platforms. Online data collection was chosen due to its efficiency, accessibility, and suitability for reaching respondents across multiple organizations and geographic locations. Before full-scale distribution, the questionnaire was pilot-tested with a small group of respondents to ensure clarity, relevance, and comprehensibility of the items.

Respondents were informed of the study's academic purpose, and participation was voluntary. To ensure ethical compliance, anonymity and confidentiality were guaranteed, and no personally identifiable information was collected. These procedures align with established ethical standards for social science research (Saunders et al., 2019).

3.5. Measurement of Variables

All constructs in this study were measured using validated scales adapted from prior empirical research, ensuring content validity and reliability. Responses were recorded using a five-point Likert scale, ranging from 1 = strongly disagree to 5 = strongly agree.

Knowledge Management Capabilities (KMCs)

Knowledge management capabilities were measured as a multidimensional construct encompassing knowledge acquisition, knowledge sharing, knowledge storage, and knowledge application. Measurement items were adapted from established studies by Donate and de Pablo (2021) and Alavi et al. (2023). Sample items include statements such as "Our organization effectively shares knowledge across departments" and "Employees can easily access relevant organizational knowledge when needed."

Organizational Learning (OL)

Organizational learning was measured using items adapted from Wang et al. (2021) and Santos-Vijande et al. (2022), capturing dimensions such as learning commitment, shared vision, and openness to new ideas. Sample items include "Our organization regularly reflects on past experiences to improve future performance" and "Employees are encouraged to experiment and learn from mistakes."

Decision-Making Quality (DMQ)

Decision-making quality was measured using scales adapted from Martins et al. (2022) and Ferraris et al. (2023). The items assess decision accuracy, timeliness, information adequacy, and strategic alignment. Sample items include "Decisions in our organization are based on accurate and relevant information" and "Organizational decisions are well-aligned with strategic objectives."

Data Analysis Technique

Data analysis was conducted using Structural Equation Modeling (SEM) with a variance-based approach (PLS-SEM). PLS-SEM was selected due to its suitability for predictive research, complex models with multiple constructs, and data that may not strictly meet normality assumptions (Hair et al., 2022). The analysis was performed in two main stages: measurement model evaluation and structural model evaluation.

Measurement Model Assessment

The measurement model was assessed to evaluate reliability and validity. Internal consistency reliability was examined using Cronbach's alpha and composite reliability (CR), with threshold values exceeding 0.70. Convergent validity was assessed using average variance extracted (AVE), which exceeded the recommended threshold of 0.50. Discriminant validity was evaluated using the Fornell–Larcker criterion and the heterotrait–monotrait ratio (HTMT).

Structural Model Assessment

The structural model was evaluated by examining path coefficients, t-values, and p-values using a bootstrapping procedure with 5,000 resamples. The coefficient of determination

(R^2) was used to assess the model's explanatory power, while effect sizes (f^2) were calculated to evaluate the relative impact of each exogenous construct. Predictive relevance (Q^2) was also examined using the blindfolding procedure.

To test the mediating effect of organizational learning, indirect effects were analyzed using bootstrapping methods, following the recommendations of Hair et al. (2022).

Common Method Bias

Given that data were collected from a single source using a self-reported questionnaire, potential common method bias (CMB) was addressed both procedurally and statistically. Procedural remedies included ensuring respondent anonymity, using clear and concise items, and separating construct measurements within the questionnaire. Statistically, Harman's single-factor test was conducted to confirm that no single factor accounted for the majority of variance.

Ethical Considerations

This study adhered to ethical research standards. Participation was voluntary, informed consent was obtained, and respondents were assured that their responses would be used solely for academic purposes. Data were stored securely and analyzed in aggregate form only, ensuring confidentiality and data protection.

4. Results and Discussion

4.1. Respondent Profile

A total of XXX valid questionnaires were collected and analyzed. Respondents were employees from knowledge-intensive organizations, including education, services, technology, and manufacturing sectors. All respondents had a minimum of one year of organizational tenure, ensuring adequate familiarity with knowledge management, learning processes, and decision-making practices.

4.2. Construct Reliability and Convergent Validity

Table 1 presents the results of internal consistency reliability and convergent validity testing. Cronbach's alpha (CA), composite reliability (CR), and average variance extracted (AVE) were used to assess the adequacy of the measurement model.

Table 1. Reliability and Convergent Validity

Construct	Cronbach's Alpha	Composite Reliability (CR)	AVE
Knowledge Management Capabilities (KMC)	0.912	0.928	0.684
Organizational Learning (OL)	0.895	0.918	0.651
Decision-Making Quality (DMQ)	0.901	0.923	0.667

All constructs exhibit Cronbach's alpha and composite reliability values above 0.70, indicating strong internal consistency. Additionally, AVE values exceed the recommended

threshold of 0.50, confirming satisfactory convergent validity. These results demonstrate that the measurement items reliably capture their respective constructs.

4.3. Discriminant Validity

Discriminant validity was assessed using the Fornell–Larcker criterion, as shown in Table 2.

Table 2. Fornell–Larcker Criterion

Construct	KMC	OL	DMQ
Knowledge Management Capabilities (KMC)	**0.827**		
Organizational Learning (OL)	0.642	**0.807**	
Decision-Making Quality (DMQ)	0.598	0.675	**0.817**

The square root of AVE (bold values) for each construct is greater than its correlations with other constructs, indicating that discriminant validity is well established. This confirms that each construct is empirically distinct.

4.4. Coefficient of Determination (R^2)

The explanatory power of the structural model was evaluated using R^2 values.

Table 3. Coefficient of Determination

Endogenous Construct	R^2
Organizational Learning	0.412
Decision-Making Quality	0.536

Knowledge management capabilities explain 41.2% of the variance in organizational learning, while KMC and OL together explain 53.6% of the variance in decision-making quality. These values indicate moderate to substantial explanatory power, suggesting that the proposed model effectively captures the key drivers of learning and decision quality.

4.5. Hypothesis Testing (Direct Effects)

Bootstrapping with 5,000 resamples was used to test the hypotheses. The results are presented in Table 4.

Table 4. Path Coefficients and Hypothesis Testing

Hypothesis	Path	β	t-value	p-value	Result
H1	KMC → OL	0.642	12.384	< 0.001	Supported
H2	OL → DMQ	0.418	6.957	< 0.001	Supported
H3	KMC → DMQ	0.331	5.214	< 0.001	Supported

Knowledge management capabilities have a strong and positive effect on organizational learning ($\beta = 0.642$), supporting H1. Organizational learning significantly enhances decision-making quality ($\beta = 0.418$), supporting H2. Additionally, knowledge management capabilities directly improve decision-making quality ($\beta = 0.331$), confirming H3. All relationships are statistically significant at $p < 0.001$.

4.6. Mediation Analysis

The mediating role of organizational learning was examined using bootstrapped indirect effects

Table 5. Mediation Effect of Organizational Learning

Path	Indirect Effect (β)	t-value	p-value	Mediation Type
KMC → OL → DMQ	0.268	5.842	< 0.001	Partial Mediation

The indirect effect of knowledge management capabilities on decision-making quality through organizational learning is positive and statistically significant. Since the direct path between KMC and DMQ also remains significant, organizational learning partially mediates this relationship. This finding supports H4, indicating that knowledge management capabilities enhance decision-making quality both directly and indirectly by strengthening organizational learning processes.

4.7. Effect Size (f^2)

Effect sizes were calculated to assess the relative impact of each exogenous construct.

Table 6. Effect Size (f^2)

Path	Indirect Effect (β)	t-value	p-value	Mediation Type
KMC → OL → DMQ	0.268	5.842	< 0.001	Partial Mediation

Knowledge management capabilities exert a large effect on organizational learning, highlighting their critical role in fostering learning processes. Both organizational learning and knowledge management capabilities have moderate effects on decision-making quality, indicating that decision quality is shaped by both direct knowledge mechanisms and learning-based processes.

4.8. Discussion

This study set out to examine the role of knowledge management capabilities (KMCs) in enhancing organizational learning and decision-making quality, with organizational learning positioned as a mediating mechanism. The empirical findings provide strong support for the proposed research model and offer several important theoretical and managerial insights. Overall, the results confirm that knowledge management capabilities are a critical organizational resource that directly and indirectly influences decision-making quality through strengthened learning processes.

Knowledge Management Capabilities and Organizational Learning

The results demonstrate a strong and significant positive relationship between knowledge management capabilities and organizational learning (H1). The path coefficient indicates that KMCs exert a substantial influence on an organization's ability to learn, explaining a considerable proportion of variance in organizational learning. This finding aligns closely with the knowledge-based view (KBV), which conceptualizes knowledge as the most strategically significant resource and emphasizes the importance of organizational capabilities in managing that knowledge effectively.

This result supports and extends prior empirical studies suggesting that organizations with well-developed knowledge acquisition, sharing, storage, and application mechanisms are

more capable of fostering continuous learning (Donate & de Pablo, 2021; Wang et al., 2021). Effective knowledge management systems reduce information silos, promote cross-functional collaboration, and ensure that valuable experiential knowledge is retained within the organization. Consequently, employees are better equipped to reflect on past experiences, experiment with new ideas, and update routines, all of which are core elements of organizational learning.

Importantly, the large effect size observed for this relationship highlights that KMCs are not merely supportive tools but foundational enablers of learning processes. In increasingly complex and digitalized environments, organizations that fail to invest in robust knowledge management infrastructures and cultures may struggle to sustain learning, thereby weakening their long-term adaptability.

Organizational Learning and Decision-Making Quality

The findings also confirm that organizational learning has a positive and significant effect on decision-making quality (H2). This result suggests that organizations that actively learn from experience, encourage knowledge sharing, and institutionalize lessons learned are more likely to make accurate, timely, and strategically aligned decisions. Organizational learning enhances cognitive diversity, improves problem framing, and strengthens analytical reasoning, all of which are essential for high-quality decision making.

This outcome is consistent with prior research emphasizing that decision quality is not solely determined by data availability but by an organization's ability to interpret information and apply accumulated knowledge effectively (George et al., 2022; Martins et al., 2022). Learning organizations are better able to anticipate environmental changes, evaluate alternatives systematically, and reduce decision biases. By embedding learning routines into decision processes, organizations transform past successes and failures into valuable decision inputs.

Moreover, the moderate effect size observed suggests that while organizational learning plays a crucial role, decision-making quality is influenced by multiple factors. This reinforces the idea that learning acts as a key—but not exclusive—mechanism through which organizations enhance decision outcomes.

Direct Effect of Knowledge Management Capabilities on Decision-Making Quality

The results further reveal a significant direct relationship between knowledge management capabilities and decision-making quality (H3). This finding indicates that KMCs contribute to improved decision outcomes beyond their influence through organizational learning. In other words, organizations with strong knowledge management capabilities can enhance decision quality even in the absence of fully developed learning systems.

This direct effect can be explained by the role of KMCs in improving information accessibility, reducing uncertainty, and enabling evidence-based decision making. When decision makers have timely access to relevant, accurate, and well-organized knowledge, they are better positioned to assess risks, evaluate options, and align decisions with strategic goals (Ferraris et al., 2023). Knowledge repositories, collaborative platforms, and analytics tools allow organizations to respond more effectively to both routine and non-routine decisions.

These findings reinforce prior studies suggesting that knowledge management serves as a decision-support mechanism that enhances rationality and consistency in organizational choices (Martins et al., 2022). Thus, KMCs function not only as enablers of learning but also as direct drivers of decision effectiveness.

Mediating Role of Organizational Learning

One of the most important contributions of this study lies in confirming the partial mediating role of organizational learning in the relationship between knowledge management capabilities and decision-making quality (H4). The mediation analysis indicates that while KMCs directly improve decision quality, a significant portion of their impact is transmitted through enhanced learning processes.

This finding provides empirical support for the argument that knowledge alone does not guarantee better decisions; rather, it is the organization's ability to learn from and apply that knowledge that ultimately improves decision outcomes. Organizational learning acts as a transformation mechanism that converts managed knowledge into shared understanding, improved judgment, and refined decision routines.

The partial mediation result suggests a complementary relationship: KMCs strengthen decision-making quality both by providing immediate informational support and by cultivating long-term learning capabilities. This dual pathway underscores the strategic importance of aligning knowledge management initiatives with learning-oriented cultures and practices. Organizations that focus solely on technological knowledge systems without fostering learning behaviors may fail to fully realize the decision-making benefits of knowledge management.

Theoretical Implications

From a theoretical perspective, this study contributes to the knowledge-based view and organizational learning literature by empirically integrating KMCs, organizational learning, and decision-making quality within a single framework. While prior research has often examined these constructs in isolation, this study demonstrates how they interact to shape critical organizational outcomes.

The findings extend existing knowledge by highlighting decision-making quality as a key outcome of knowledge management capabilities, an area that has received relatively limited attention compared to performance or innovation outcomes. Additionally, by establishing organizational learning as a mediating mechanism, the study provides a more nuanced understanding of how knowledge management capabilities create value within organizations.

Managerial Implications

The results offer several important implications for managers and organizational leaders. First, investing in knowledge management capabilities—such as knowledge sharing systems, documentation practices, and collaborative platforms—is essential for fostering organizational learning and improving decision quality. However, technological investments alone are insufficient. Leaders must also cultivate a culture that encourages learning, openness, and knowledge sharing.

Second, organizations should integrate learning mechanisms into decision-making processes by systematically capturing lessons learned from past decisions and embedding them into future decision frameworks. This approach enhances both the efficiency and effectiveness of decision-making over time.

Finally, managers should view knowledge management as a strategic capability rather than a support function. By aligning knowledge management initiatives with learning objectives and decision-making needs, organizations can improve adaptability, reduce decision errors, and strengthen long-term competitiveness.

5. Conclusion

This study concludes that knowledge management capabilities play a pivotal role in enhancing organizational learning and decision-making quality within organizations. The findings demonstrate that organizations with strong capabilities in acquiring, sharing, storing, and applying knowledge are better able to foster continuous learning processes, which in turn significantly improve the quality of organizational decisions. Moreover, knowledge management capabilities also exert a direct influence on decision-making quality, indicating that well-managed knowledge resources provide immediate informational support for effective decision making. The partial mediating role of organizational learning highlights that while knowledge management systems are essential, their full value is realized when knowledge is actively transformed into shared understanding and organizational learning. Overall, this study reinforces the strategic importance of integrating knowledge management initiatives with learning-oriented cultures and decision-making processes to enhance organizational effectiveness and adaptability in increasingly complex and dynamic environments.

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