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The Relationship Between Knowledge Mangagement, Organizational Learning, and Organizational Performance in Small and Medium-Sized Enterprises in Danang City

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ABSTRACT

In the contemporary rapidly evolving business environment, enterprises face ongoing challenges in maintaining their competitive edge. These dynamics require organizations to effectively utilize their intellectual resources, adapting to changing market conditions while building sustainable competitive strengths. This study investigates how organizations can leverage their knowledge assets to improve performance outcomes, focusing specifically on the interconnections among knowledge management practices, organizational learning capabilities, and business performance.The research examines small and medium enterprises (SMEs) operating in Da Nang City, Vietnam, where numerous companies are striving to enhance their market position through improved management practices. Using a quantitative research design, data was gathered from 528 participants across various SME sectors during April 2025. The analytical approach employed Structural Equation Modeling (SEM) to examine the hypothesized relationships among four primary constructs: Knowledge Management practices, Organizational Learning capabilities, Organizational Performance metrics, and Knowledge Transfer mechanisms. The empirical findings demonstrate significant positive relationships among all studied variables. Knowledge management initiatives showed direct positive effects on both learning capabilities and performance outcomes. Additionally, organizational learning was found to partially mediate the relationship between knowledge management practices and business performance. These results provide valuable insights for SME managers seeking to enhance their organizations' competitive position through systematic knowledge utilization and continuous learning initiatives.

Keywords: Knowledge Management, Organizational Learning, Organizational Performance, small and medium-sized enterprises

INTRODUCTION

Contemporary business operations occur within increasingly complex and dynamic environments that demand continuous adaptation and innovation. Organizations worldwide face mounting pressures to remain competitive while managing rapid technological changes, evolving customer expectations, and intensifying global competition. For businesses to thrive in such challenging conditions, they must develop capabilities to effectively create, capture, and utilize their collective knowledge resources.

The significance of knowledge as a strategic asset has grown substantially in recent decades. Unlike traditional resources that diminish with use, knowledge assets can expand and improve through application and sharing. This unique characteristic makes knowledge management particularly valuable for organizations seeking sustainable competitive advantages. However, translating theoretical understanding into practical implementation remains challenging for many enterprises, especially smaller organizations with limited resources.

Vietnam's economy has experienced remarkable growth and transformation, presenting both opportunities and challenges for domestic businesses. Small and medium enterprises, which constitute the majority of Vietnamese businesses, must navigate these changes while competing against larger, more established firms. In Da Nang City specifically, SMEs face the dual challenge of modernizing their operations while maintaining cost efficiency. This research explores how these organizations can leverage knowledge management practices to enhance their learning capabilities and ultimately improve their performance outcomes.

This investigation draws upon several theoretical perspectives to examine the relationships among knowledge management, organizational learning, and business performance. The resource-based view suggests that organizations achieving sustained competitive advantages do so by developing valuable, rare, and difficult-to-imitate resources. In the contemporary economy, knowledge represents perhaps the most critical of these strategic resources.

Additionally, organizational learning theory provides insights into how companies develop new competencies and adapt to environmental changes. Learning organizations cultivate environments where employees continuously acquire new knowledge, share insights, and apply lessons learned to improve operations. This theoretical lens helps explain how knowledge management practices can enhance organizational capabilities over time.

The primary objectives of this research include:

1. Examining how knowledge management practices influence organizational learning within SMEs
2. Investigating the direct effects of knowledge management on business performance
3. Analyzing the mediating role of organizational learning in the knowledge management- performance relationship
4. Providing practical recommendations for SME managers seeking to implement effective knowledge strategies

This research makes several important contributions to both theory and practice. Theoretically, it extends existing knowledge management frameworks by examining their application within the specific context of Vietnamese SMEs. While substantial research exists on knowledge management in developed economies, less attention has been paid to how these concepts apply in emerging markets with different cultural and economic characteristics.

Practically, the findings offer valuable guidance for SME managers seeking to enhance their organizations' competitiveness. By demonstrating the specific mechanisms through which knowledge management influences performance, this research helps practitioners understand where to focus their limited resources for maximum impact. The insights are particularly relevant for Vietnamese businesses seeking to modernize their management approaches while maintaining their unique cultural strengths.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Conceptual Foundations

Understanding Knowledge

Knowledge represents more than mere information or data; it encompasses the insights, understanding, and expertise that enable effective action. Organizational knowledge exists in multiple forms, including explicit knowledge that can be easily documented and shared, and tacit knowledge residing in employees' experiences and skills. The challenge for organizations lies in effectively managing both types to create value.

From an organizational perspective, knowledge serves as the foundation for innovation, problem- solving, and strategic decision-making. It enables companies to understand their markets better, develop superior products and services, and respond more effectively to competitive pressures. However, simply possessing knowledge is insufficient; organizations must actively manage these intellectual resources to realize their full potential.

Knowledge Management Practices

Knowledge management encompasses the systematic processes organizations use to identify, capture, organize, and leverage their intellectual assets. These practices include various activities designed to facilitate knowledge creation, storage, transfer, and application throughout the enterprise. Effective knowledge management requires integrating technological tools, organizational processes, and cultural elements that encourage knowledge sharing. Contemporary knowledge management approaches recognize that success depends on more than just implementing technology solutions. While databases and information systems play important roles, the human and organizational dimensions often determine whether knowledge management initiatives succeed. Organizations must create environments where employees feel motivated to share their expertise and collaborate in knowledge creation activities.

Key components of comprehensive knowledge management systems include:

- Knowledge identification and capture mechanisms
- Storage and organization systems that make knowledge accessible
- Transfer processes that move knowledge to where it's needed
- Application support to ensure knowledge translates into action
- Continuous updating to maintain knowledge relevance and accuracy

Organizational Learning Dynamics

Organizational learning represents the process through which companies improve their capabilities by gaining and applying new understanding. This phenomenon occurs at multiple levels - individual, team, and organizational - with learning at each level contributing to overall organizational development. Effective learning organizations create structures and cultures that facilitate knowledge acquisition, interpretation, and utilization.

The learning process typically involves several stages. First, organizations must acquire new information or insights through various means such as experimentation, observation, or external sources. Next, this information must be interpreted and given meaning within the organizational context. Finally, the new understanding must be integrated into organizational memory and practices, enabling improved future performance.

Learning organizations distinguish themselves through several characteristics:

- Systematic problem-solving approaches
- Experimentation with new methods and ideas
- Learning from past experiences and mistakes
- Learning from others' best practices
- Efficient knowledge transfer mechanisms

Business Performance Dimensions

Organizational performance encompasses multiple dimensions reflecting how well companies achieve their objectives. Financial metrics traditionally dominated performance measurement, but contemporary approaches recognize the importance of balanced assessments including operational efficiency, customer satisfaction, innovation capability, and employee development. For SMEs, performance measurement must consider both immediate survival needs and long-term growth potential.

In the context of knowledge-intensive competition, traditional performance metrics may not fully capture organizational success. Companies must also assess their ability to adapt, innovate, and build sustainable competitive advantages. This broader perspective on performance aligns with the strategic importance of knowledge management and organizational learning capabilities.

Relationships Among Constructs

Knowledge Management and Organizational Learning

The relationship between knowledge management and organizational learning represents a fundamental connection in building organizational capabilities. Knowledge management provides the infrastructure and processes that enable systematic learning, while organizational learning creates new knowledge that enriches the organization's intellectual assets. This reciprocal relationship suggests that investments in either area can generate positive spillover effects.

Research consistently demonstrates that organizations with robust knowledge management systems exhibit enhanced learning capabilities. These systems facilitate the capture and dissemination of lessons learned, enable cross-functional knowledge sharing, and preserve organizational memory. Consequently, organizations can learn more efficiently from their experiences and avoid repeating past mistakes.

Hypothesis 1: Knowledge management practices positively influence organizational learning capabilities in SMEs.

Knowledge Management and Business Performance

Direct relationships between knowledge management and performance outcomes have been extensively documented across various contexts. Organizations that effectively manage their knowledge resources typically demonstrate superior innovation rates, better customer service, improved operational efficiency, and stronger financial results. These performance improvements stem from better decision-making, reduced duplication of efforts, and enhanced organizational agility.

For SMEs, effective knowledge management can help overcome resource constraints by maximizing the value derived from existing intellectual assets. By systematically capturing and sharing knowledge, smaller organizations

can compete more effectively against larger rivals with greater financial resources. This leveling effect makes knowledge management particularly valuable for SMEs seeking competitive advantages.

Hypothesis 2: Knowledge management practices positively influence organizational performance in SMEs.

Organizational Learning and Performance

Organizations that develop strong learning capabilities typically achieve superior performance outcomes across multiple dimensions. Learning enables companies to adapt more quickly to market changes, develop innovative solutions to customer needs, and continuously improve their operations. These capabilities become increasingly important in dynamic business environments where yesterday's solutions may not address tomorrow's challenges.The performance benefits of organizational learning extend beyond immediate operational improvements. Learning organizations build dynamic capabilities that enable sustained competitive advantages. They develop abilities to sense environmental changes, seize new opportunities, and reconfigure resources as needed. These meta-capabilities provide foundations for long-term success.

Hypothesis 3: Organizational learning capabilities positively influence organizational performance in SMEs.

The Mediating Role of Organizational Learning

While knowledge management can directly impact performance, its effects may be amplified or channeled through organizational learning processes. Knowledge management creates conditions conducive to learning, which then translates into performance improvements. This mediating relationship suggests that organizations maximizing their knowledge management investments should simultaneously develop strong learning capabilities.

The mediation effect reflects the reality that knowledge alone does not guarantee improved performance; organizations must effectively learn from and apply their knowledge resources. Learning processes transform static knowledge assets into dynamic capabilities that drive performance improvements. Understanding this mediating mechanism helps explain why some organizations derive greater benefits from their knowledge management investments than others.

Hypothesis 4: Organizational learning mediates the relationship between knowledge management and organizational performance in SMEs.

Contextual Considerations for Vietnamese SMEs

The Vietnamese business environment presents unique characteristics that influence how knowledge management and learning processes unfold. Cultural factors, including high collectivism and respect for hierarchy, shape knowledge sharing behaviors. Economic development stages affect resource availability and technological infrastructure. These contextual elements must be considered when examining knowledge management effectiveness.

SMEs in Da Nang City operate within Vietnam's rapidly modernizing economy while maintaining connections to traditional business practices. This dual nature creates both opportunities and challenges for implementing contemporary management approaches. Organizations must balance modern knowledge management techniques with culturally appropriate implementation strategies to achieve optimal results.

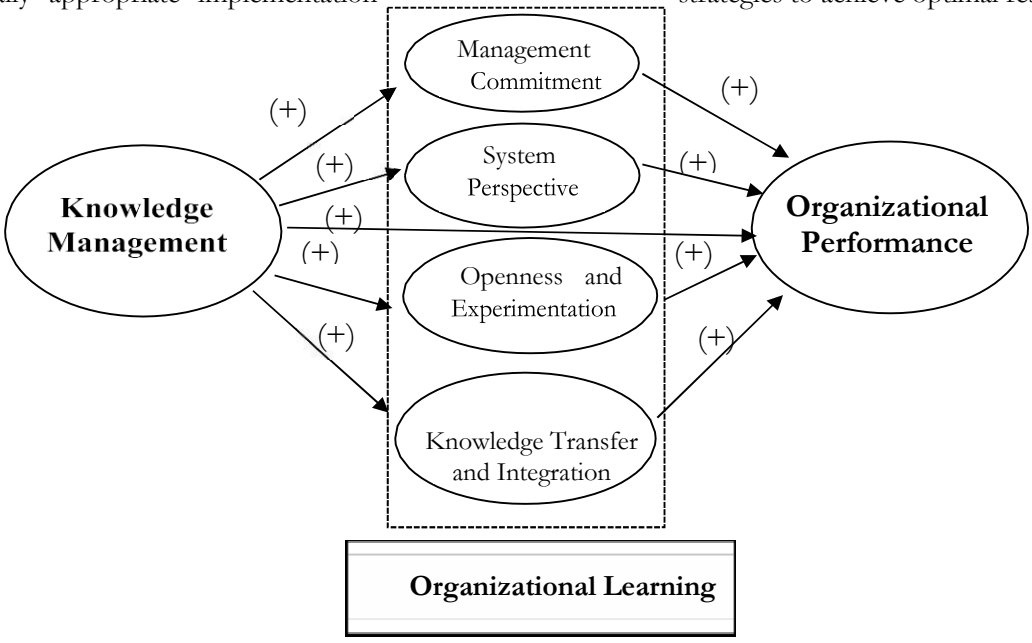


Figure 1. Proposed research model
(Source: Data analysis of the research)

RESEARCH METHODOLOGY

Research Design and Approach

This investigation employed a quantitative research methodology to examine the hypothesized relationships among constructs. The cross-sectional survey design enabled efficient data collection from multiple organizations while maintaining statistical rigor. This approach aligns with established practices in management research examining organizational phenomena across multiple firms.

The quantitative methodology was selected for several reasons. First, it enables testing of specific hypotheses derived from theoretical foundations. Second, it provides generalizable insights applicable across the SME population. Third, it allows for sophisticated statistical analyses examining complex relationships among variables. These advantages made quantitative methods particularly suitable for addressing the research objectives.

Population and Sampling Strategy

The target population comprised employees working in SMEs operating within Da Nang City's administrative boundaries. SMEs were defined according to Vietnamese government criteria based on employee numbers and annual revenue. This definition ensured consistency with official statistics and facilitated comparison with other research conducted in Vietnam.

A multi-stage sampling approach was utilized to ensure representative coverage across industries and organizational sizes. First, SMEs were stratified by industry sector using government registration data. Second, organizations were randomly selected within each stratum proportional to their representation in the population. Finally, within selected organizations, employees were chosen using systematic sampling techniques.

The initial sample included 600 distributed questionnaires, anticipating potential non- response issues. After excluding incomplete or invalid responses, 528 usable questionnaires remained, yielding an effective response rate of 88%. This high response rate reflects careful attention to survey design and administration procedures.

Measurement Instrument Development

The survey instrument incorporated established scales adapted from prior research to ensure validity and reliability. Each construct was measured using multiple items to capture its various dimensions and reduce measurement error. All items utilized five-point Likert scales ranging from "strongly disagree" to "strongly agree," providing sufficient variance for statistical analysis.

Knowledge Management was assessed through items measuring knowledge creation, storage, sharing, and application practices within organizations. The scale drew from established instruments while incorporating modifications to reflect the SME context. Sample items included assessments of systematic knowledge capture processes and formal knowledge sharing mechanisms.

Organizational Learning measurement focused on the organization's capacity to acquire, interpret, and utilize new knowledge. Items assessed learning from various sources including customer feedback, internal experimentation, and external partnerships. The scale captured both individual and collective learning processes.

Organizational Performance utilized a balanced approach incorporating financial and non- financial indicators. Items measured perceived performance relative to competitors across dimensions including profitability, growth,

customer satisfaction, and operational efficiency. This multi-dimensional approach provides comprehensive performance assessment.

Knowledge Transfer and Integration items evaluated the effectiveness of moving knowledge across organizational boundaries and embedding it within organizational routines. These items served as additional indicators supporting the primary constructs while providing insights into specific mechanisms.

Data Collection Procedures

Data collection occurred during April 2025 through direct distribution of questionnaires to participating organizations. Trained research assistants visited each organization to explain the research purpose, distribute surveys, and arrange collection times. This personal approach helped achieve high response rates and ensured proper survey completion.

Ethical considerations received careful attention throughout the data collection process. Participants received clear information about the research purpose, their voluntary participation, and confidentiality protections. Organization names were coded to ensure anonymity, with only aggregate results reported. These measures encouraged honest responses while protecting participant interests.

Analytical Techniques

Data analysis employed Structural Equation Modeling (SEM) using specialized statistical software. SEM enables simultaneous examination of multiple relationships while accounting for measurement error, making it ideal for testing complex theoretical models. The analysis proceeded through several stages ensuring robust results.

Initial analyses examined data quality through assessments of missing values, outliers, and distributional properties. Confirmatory Factor Analysis (CFA) validated the measurement model, ensuring that items appropriately measured their intended constructs. Reliability assessments using Cronbach's alpha confirmed internal consistency for all scales.

The structural model testing examined hypothesized relationships among constructs. Model fit indices including Chi-square/df ratio, RMSEA, CFI, and SRMR evaluated overall model adequacy. Path coefficients and their significance levels tested specific hypotheses. Mediation analysis followed established procedures to examine indirect effects.

RESULTS AND ANALYSIS

Demographic Characteristics

The sample demographics reflected the diverse nature of Da Nang City's SME sector. Participating organizations represented multiple industries including manufacturing (28.4%), services (38.6%), technology (14.2%), and retail/wholesale trade (18.8%). This distribution aligns with the city's economic structure, providing confidence in the sample's representativeness.

Respondent characteristics showed balanced representation across organizational levels and functional areas. Middle managers comprised 32.8% of respondents, followed by senior staff (29.5%), entry-level employees (24.6%), and senior executives (13.1%). This distribution ensured perspectives from various organizational positions, enriching the data quality.

Gender distribution showed 53.6% male and 46.4% female participants, reflecting relatively balanced workforce participation. Age ranges varied from under 25 years (10.8%) to over 50 years (14.1%), with the majority between 26-40 years (58.3%). Educational backgrounds predominantly included bachelor's degrees (61.4%) and postgraduate qualifications (19.8%), indicating a well- educated respondent pool.

Table 1. Sample information

Demographic features		**Address**	**Frequency**	**Percentage (%)**
	Danang Beach Tourism Service Company Limited	K91/2 3/2 Street, Thuan Phuoc Ward, Hai Chau District, Danang	169	20,5
	Minh Tam Consultancy Service Company Limited	K19/2B Co Giang, Phuoc Ninh Ward, Hai Chau District, Danang	109	14,6

Small and medium-sized enterprises in Danang City	DANASTAR Company Limited	3 Duong Ba Cung Street, Hoa Xuan Ward, Cam Le District, Danang	136	17,9
	PA9 Trading and construction company limited	27 Central Region 12, Hoa Hai Ward, Ngu Hanh Son District, Danang	140	16,0
	DHT Digial Technology And Communications Company Limited	23 Ly Nhat Quang, Nai Hien Dong Ward, Son Tra District, Danang	119	14,1
	NANO Marketing company limited	K35/30 Thai Thi Boi, Chinh Gian Ward, Thanh Khe	105	16,9
	Total		**425**	**100**
Gender	Female		167	46,4
	Male		228	53,6
	Total		**425**	**100**
Age	From 18 to 35 years old		180	42,4
	From 36 to 50 years old		199	46,8
	Over 50 years old		46	10,8
	Total		**425**	**100**
Educational level	Below college		80	18,8
	College, university		261	61.4
	Postgraduate		84	19,8
	Total		**425**	**100**
Working position	Directors, vice directors		48	11,3
	Managers, deputy managers		59	13,9
	Experts		88	20,7
	Staff		166	39,1
	Workers		64	15,1
	Total		**425**	**100**
Seniority	Under 5 years		60	14,1
	From 5 years - < 10 years		133	31,3
	From 10 years - < 20 years		179	42,1
	>= 20 years		53	12,5
	Total		**425**	**100**

Source: Data analysis of the research)

Table 2. Sample description

Sample information		**Frequency**	**Percentage (%)**
Gender	Female	150	28.4
	Male	378	71.6
Management level	Top managers	302	57.2
	Middle-level managers	115	21.7
	Low-level managers	111	21.1
Seniority	From 1 to 3 years	87	16.4
	From 4 to 10 years	124	23.4
	Over 10 years	318	60.2

Measurement Model Assessment

Confirmatory Factor Analysis results supported the proposed measurement model. All factor loadings exceeded the 0.70 threshold, indicating strong relationships between items and their respective constructs. The measurement model demonstrated excellent fit with Chi-square/df = 2.140, RMSEA = 0.046, CFI = 0.962, and SRMR = 0.038, all meeting established criteria.

Reliability assessments confirmed strong internal consistency for all constructs. Cronbach's alpha values ranged from 0.853 to 0.892, exceeding the 0.70 threshold. Composite reliability scores similarly exceeded recommended levels, while average variance extracted (AVE) values above 0.50 confirmed convergent validity.

Discriminant validity was established through multiple methods. The Fornell-Larcker criterion showed that square roots of AVE values exceeded inter-construct correlations. Additionally, heterotrait-monotrait (HTMT) ratios remained below 0.85, providing further evidence of discriminant validity. These results confirm that constructs measured distinct phenomena as intended.

Table 3. Summary of scale testing results after EFA testing

Components	Observed variables		Cronbach's Alpha
	Before	After	
Knowledge Management	12	9	0.985*
Management Commitment	6	6	0.892
System Perspective	3	3	0.844
Openness and Experimentation	4	4	0.786
Knowledge Transfer and Integration	4	4	0.853
Organizational Performance	6	6	0.816

(Source: Research data analysis results)

*Cronbach's Alpha of the Knowledge Management scale after removing 3 observed variables KM7, KM9, KM11. These observed variables are used for testing in the next CFA analysis

Structural Model Results

Figure 1 illustrates the results of the Confirmatory Factor Analysis (CFA) for the critical model, which examines the relationships among Knowledge Management, Organizational Learning, and Organizational PerformanceOverall Model Fit: The CFA results (after a second iteration) indicate a Chi-squared statistic of 774.606 with 362 degrees of freedom, and a P-value of 0.000. When adjusted for degrees of freedom, the CMIN/df ratio is 2.140, which is less than the acceptable threshold of 5, signifying good fit. Other key fit indices also meet the required criteria: TLI = 0.904 (>= 0.9), CFI = 0.915 (> 0.9), and RMSEA = 0.062 (< 0.08). These satisfactory fit measures were achieved after removing observed variables OP3 and OP4, as their standardized coefficients were below 0.5.

Convergent Validity: The model demonstrates convergent validity because all standardized weights are greater than 0.5, and all unstandardized weights are statistically significant.

Discriminant Validity: Discriminant validity is confirmed as all P-values are less than 0.05, indicating that the correlation coefficient for each pair of concepts is statistically different from 1 at a 95% confidence level.

Unidirectionality: The measurement model exhibits unidirectionality, meaning it is appropriate for the market data and there is no correlation between measurement errors.

Reliability: The reliability of all scales was assessed using Composite Reliability, Average Variance Extracted (AVE), and Cronbach's Alpha. As shown in Table 4, all scales achieved reliability, with Composite Reliability coefficients, AVE, and Cronbach's Alpha coefficients all exceeding 0.5.

Table 4. Results of testing the reliability of the measurement scales

Components	Observed variables	Reliability		Variance extracted	Value
		Cronbach α	Composite		
Knowledge Management	8	0.898*	0.736	0.510	
Management Commitment	6	0.885	0.849	0.648	
System Perspective	3	0.844	0.845	0.693	
Openness and Experimentation	4	0.786	0.794	0.579	
Knowledge Transfer and Integration	4	0.853	0.867	0.676	Qualified
Organizational Performance	4	0.844*	0.855	0.657	

(Source: Research data analysis results)

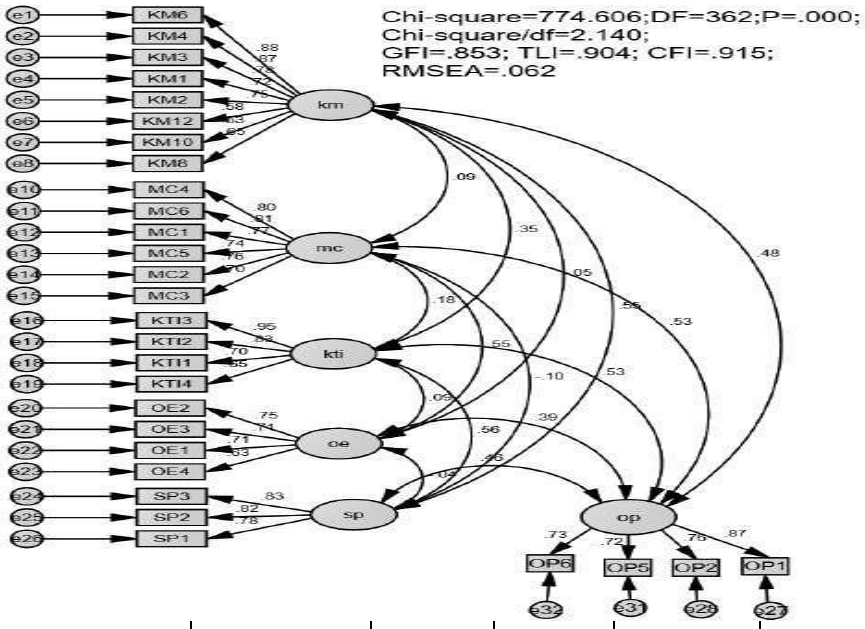
Cronbach's Alpha coefficient of *Knowledge Management* and *Organizational Performance* components after removing 4 observed variables KM5, KM7, KM9, KM11 and 2 observed variables OP3 and OP4.

Figure 1. CFA for the critical model of the relationship between Knowledge Management, Organizational Learning, and Organizational Performance (revised 2nd time)
(Source: Research data analysis results)

Analysis Results from SEM Model

The hypotheses will be tested by examining the causal relationships between the research concepts. The results are shown in Table 5 as follows:

Table 5. Tesing the causal relationship between concepts in the model (standardized)



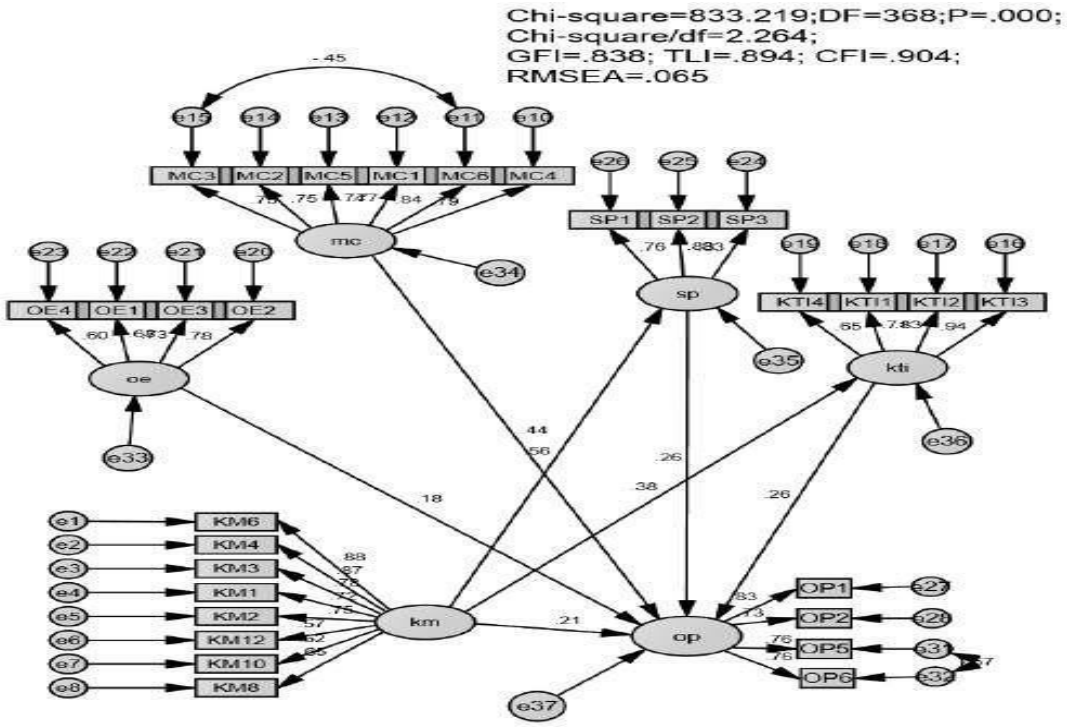
No.	Relationship			Estimate	SE	CR	P-value	Conclusion
1	OE	<---	KM	0.058	0.058	16.261	0.384	H1c is rejected
2	MC	<---	KM	0.095	0.057	15.667	0.128	H1a is rejected
3	SP	<---	KM	0.558	0.048	9.179	***	H1b is accepted

4	KTI	<---	KM	0.378	0.053	11.578	***	H1d is rejected
5	OP	<---	MC	0.426	0.052	10.933	***	H3a is rejected
6	OP	<---	OE	0.179	0.057	14.381	***	H3c is rejected
7	OP	<---	KTI	0.252	0.056	13.320	***	H3d is rejected
8	OP	<---	SP	0.255	0.056	13.278	***	H3b is rejected
9	OP	<---	KM	0.202	0.056	14.041	0.001	H2 is rejected

(Source: Research data analysis results)

The test results show that the relationship between "Knowledge Management" and "Openness and Experimentation" is weighted positively but not statistically significant (P-value = 0.384 > 0.05). So it can be concluded that Knowledge Management has almost no positive impact on Openness and Experimentation.

Similarly, the impact of "Knowledge Management" on "Management Commitment" is also weighted positively, but is also not statistically significant (P-value = 0.128). The conclusion that the hypothesis that "Knowledge Management" has a positive impact on Management Commitment is also rejected.



DISCUSSION

Given the characteristics of small and medium-sized enterprises (SMEs) and the fact that the survey participants primarily work in leading companies in Da Nang City, these recruiting organizations typically have high standards and expectations. Recruiters prioritize experience and professional connections (e.g., with clients, departments, unions, partners). They tend to favor internal channels from reputable training institutions and generally avoid large-scale recruitment drives to save time and training costs.

Organizations can adapt to environmental pressures, avoid past errors, and retain crucial knowledge that might otherwise be lost through learning (Tohidi et al., 2012). Leaders of SMEs often expect employee learning to occur

naturally over time through individual effort. While employee input is valuable for managers, it isn't a prerequisite for their decision-making. Innovative ideas are not rewarded unless they directly contribute to profits, revenue, or customer growth; employees are compensated only for meeting specific business targets. Major decisions regarding marketing budgets, promotional strategies, investment projects, new product development, and customer segmentation are primarily determined by management, based on their own calculations and judgment. Consequently, the data analysis indicates that Management Commitment is not influenced by Knowledge Management.

SMEs in Da Nang City have shown progress by enhancing service quality, refining design models to align with market trends, and adopting modern marketing techniques. However, a culture of openness and innovation is not consistently encouraged within these SMEs. For instance, while online business models and electronic payments are considered primary investment tools for small- scale enterprises, established businesses often only embrace new methods after observing their tangible benefits. Although Knowledge Management can influence employee expertise, marketing, branding, and sales (shifting from traditional to online methods), and even customer information management and accounting, its impact on openness and innovation remains unclear and statistically insignificant in this study. This outcome is attributed to the specific nature of the businesses, product characteristics, and operational challenges.

All other hypotheses in the study were supported by the survey results, indicating that most of the research arguments align with the realities faced by SMEs.

CONCLUSIONS AND IMPLICATIONS

Conclusions

Drawing from theoretical foundations and qualitative research, the author identified four key factors within "Organizational Learning": Management Commitment, System Perspective, Openness and Experimentation, and Knowledge Transfer and Integration. Based on a review of existing research and professional insights, the author proposed a research model and hypotheses examining the influence of "Knowledge Management" on "Organizational Learning" (H1), "Knowledge Management" on "Organizational Performance" (H2), and "Organizational Learning" on "Organizational Performance" (H3).

Initial testing, including Cronbach's Alpha, confirmed the reliability of all scales. Exploratory Factor Analysis (EFA) further validated the scales, ensuring adequate discriminant and convergent validity after removing observed variables KM7, KM9, and KM11. Subsequent Confirmatory Factor Analysis (CFA) also confirmed the data's suitability for the study, even after the exclusion of variables KM5, OP3, and OP4.

The Structural Equation Modeling (SEM) results revealed that hypothesis H1 was partially supported, while hypotheses H2 and H3 were fully supported. Specifically, "Knowledge Management" was found to influence two aspects of "Organizational Learning": "System Perspective" and "Knowledge Transfer and Integration." However, it did not significantly impact "Management Commitment" or "Openness and Experimentation." All four factors of "Organizational Learning" (Management Commitment, System Perspective, Openness and Experimentation, and Knowledge Transfer and Integration) demonstrated a positive effect on the "Organizational Performance" of small and medium-sized enterprises in Da Nang City. Furthermore, "Knowledge Management" was shown to have both a direct and indirect positive impact on "Organizational Performance," with "Organizational Learning" acting as a mediating factor.

Implications

The research results imply that small and medium-sized enterprises in Da Nang City need to consider noticeable factors of "Organizational Learning", such as "Management Commitment", "System Perspective", "Openness and Experimentation", "Knowledge Transfer and Integration" in the organization when wanting to improve the organization's performance.

The first thing the article wants to mention is that to improve the "Organizational Learning Ability", it is necessary to do a good job of "Knowledge Management", making all officers and employees in the organization understand the vision, mission, core values as well as the culture of the enterprise so that everyone can visualize the goals that the organization and each individual need to aim for when working and how to coordinate together to work most effectively. To do this, we must first focus on the factors belonging to the "System Perspective" (SP), such as: "All employees of the enterprise need to have common knowledge about the enterprise's goals". This can be done through induction sessions for new employees and union meetings, and other meetings and training. "All parts of the enterprise (departments, teams, and individuals) are aware of how they contribute to the achievement of overall goals", each department and division must understand their roles, tasks, and functions as well as the dangers and disruptions to the operation of the entire system if their departments and individuals fail to perform their tasks. This problem can only be solved well through regular professional training and interaction, management supervision

between departments, and a smooth information system is also an important factor to help with this. "All departments that make up the enterprise need to be connected and work together". Each project and plan that the management board implements can only be completed well when there is the best coordination from all departments. This requires awareness from each individual employee, but also needs to come from a clear and reasonable division of functions, authority, and scope of work, as well as specific and transparent assignment of responsibilities when problems arise. These issues will be well resolved if the business has a friendly, cohesive culture and when managers do a good job of "Knowledge Management" activities in the organization.

The large amount of work that each employee in small and medium-sized enterprises undertakes takes up most of their working time, requiring high levels of independent work capacity from each employee. Employees at businesses in the industry are mainly sales and customer care staff who often have to work with customers rather than interacting with colleagues to exchange expertise and experience. However, in order to make a difference to create their brand, small and medium-sized enterprises in Da Nang City cannot continue to follow the beaten path. "Knowledge Transfer and Integration" are extremely necessary in today's times to make a difference for an organization. "Employees need the opportunity to talk to each other about new ideas, programs, and activities in the business". A good environment, a dynamic and friendly corporate culture come from professional and systematic education and training. Employees feel their abilities are recognized, feel themselves developing and learning more at the organization, which will increase their commitment and dedication to the business. This is also one of the factors that create the premise for building a team of human resources that is committed to the business, helping the business to stabilize its operations and create momentum for further development.

When wanting to improve the "Organizational Learning" activity, it is necessary to focus on Management Commitment to form "Organizational Learning Capacity" as well as "Organizational Learning Culture". This is a valuable asset of the organization, which takes a long time to form and develop with each human resource team throughout the process from the time of founding the enterprise. Knowledge capital and ideas will arise from the process of sharing and learning within the organization. In addition to the Management Commitment factor, to perfect the "Organizational Learning" activity, it is necessary to focus on the System Perspective throughout the process from planning, drafting plans to implementing development and competitive strategies in the enterprise so that the implementation of the strategy is smooth, transparent, achieving consensus, unity, understanding and support from the entire enterprise.

Every business that wants to develop sustainably must pay attention to the internal factors of the business, such as human resources, knowledge, and experience of existing human resources. Improving the efficiency and capacity of human resources and improving the intellectual capital in the business are extremely necessary and urgent at all times, especially when the economy is developing and competition is increasingly fierce. The problem of brain drain or job hopping is inevitable in every business. Businesses need to invest more in training, improving the professional capacity of employees, forming a positive and friendly corporate culture, and creating an environment for employees to develop and contribute more to the organization. As a result, employees, whether they are attached to the business for a long time or only work for a certain period, still work hard, contribute to the organization as well and feel comfortable in sharing experiences, knowledge, improving learning and acquisition capacity for the organization. This is what the author has drawn in the process of implementing and completing the article.

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