

**BRIDGING KNOWLEDGE AND INVESTMENT SUCCESS: THE ROLE OF
KNOWLEDGE MANAGEMENT IN STOCK PORTFOLIO PERFORMANCE**

By

Agung Wixnyo
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SWISS GERMAN UNIVERSITY
The Prominence Tower
Jalan Jalur Sutera Barat No. 15, Alam Sutera
Tangerang, Banten 15143 - Indonesia

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Agung Wixnyo

ABSTRACT

BRIDGING KNOWLEDGE AND INVESTMENT SUCCESS: THE ROLE OF KNOWLEDGE MANAGEMENT IN STOCK PORTFOLIO PERFORMANCE

By

Agung Wixnyo
Dr. Nurdayadi M.Sc., Advisor

SWISS GERMAN UNIVERSITY

This study examines the role of knowledge management in enhancing investors' stock portfolio performance by positioning decision making quality as a mediating mechanism. The research aims to determine whether tacit and explicit knowledge contribute to superior portfolio outcomes through improved investment decisions. A quantitative, explanatory research design was employed using survey data collected from 50 active stock investors in Indonesia. Data were analyzed using Partial Least Squares–Structural Equation Modeling (SEM-PLS) to evaluate the measurement and structural models, as well as the mediating effect of decision making quality.

The findings reveal that decision making quality has a positive and significant effect on portfolio performance, indicating that rational and analytical investment decisions lead to better perceived returns and risk management. Tacit knowledge, reflected in experience, intuition, and informal learning, significantly enhances decision making quality, whereas explicit knowledge derived from formal information and analytical tools does not show a direct significant effect. Furthermore, knowledge management influences portfolio performance indirectly through decision making quality, confirming its mediating role.

The study concludes that investment success is driven not merely by access to information, but by investors' ability to internalize experience-based knowledge and transform it into high-quality decisions. These results highlight the importance of tacit knowledge.

Keywords: Knowledge Management, Tacit Knowledge, Decision Making Quality, Portfolio Performance, Behavioral Finance





DEDICATION

This thesis is dedicated to the advancement of knowledge and practice in the fields of investment, financial decision-making, and knowledge management. It is intended to contribute to the development of a more informed, rational, and sustainable investment culture that supports economic growth and financial stability at both national and industry levels.

This work is also dedicated to academics, researchers, and educators whose continuous efforts in research and education foster critical thinking, evidence-based decision-making, and the dissemination of knowledge within the academic community. It is hoped that this study may serve as a reference for future research and contribute to the enrichment of scholarly discourse in the areas of investment behavior and knowledge management.

Finally, this thesis is dedicated to practitioners, investors, and all individuals involved in stock market activities, particularly those seeking to improve the quality of their investment decisions. It is hoped that the insights presented in this study may encourage the effective use of knowledge, enhance decision-making capabilities, and support the achievement of sustainable investment performance for the broader benefit of society.

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