

THE ROLE OF KNOWLEDGE MANAGEMENT IN FACULTY INNOVATION CONCENTRATING IN THE MIDDLE EAST

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ABSTRACT

The practice of Knowledge Management (KM) began some years ago and its significance was first realized by leading organizations western countries particularly the US. It is now considered a central part of business organization. The changing nature of markets across the world due to globalization has led to the need to innovation among companies in order to remain competitive thereby leading to the need for knowledge management. This research has discussed the role of KM in faculty innovation focusing in the Middle East. It has focused on one research question which sought to answer how KM contributes to innovation and three research objectives focusing on the extent of KM in Middle East and the drivers and barriers of KM implementation in the region. The findings however indicate that the implementation of KM in innovation in Middle East is still low compared to some regions in the developing world.

Keywords: *Knowledge management, sustainable competitive advantage, Innovation capability, tacit knowledge, explicit knowledge*

INTRODUCTION

The rapid changes in business environment and market have resulted in knowledge being considered an important strategic approach in the development of competitive advantage. [27] explain that in order to respond effectively to these changes, businesses need to adapt their knowledge to the changes and update it so as to develop and maintain their sustainable competitive advantage. In the world of business today, innovation has become a central part in organizations especially due to the increase in knowledge. As a result, organizations are striving hard to develop their innovative performance so as to maintain their competitive position. One of the ways through which organizations are achieving this is by implementation of knowledge management. Knowledge management (KM) is a concept that refers to capturing information and knowledge in people and sharing it with others in an organization. Several studies have been conducted in the recent past to find out the importance of knowledge in faculty innovation. For instance, according to [15], knowledge management helps in the development of innovative performance of businesses. It also enables organizations to remain competitive in the knowledge-based economy.

RESEARCH PROBLEM

Knowledge management was first established in the western countries particularly the United States and has in the recent past been adopted by organizations in Middle East and Asia. According to [10], knowledge itself is not something new in organizations but the rapidly changing market has led to increased competition in business where continuous innovation is the key to maintain sustainable competitive advantage. This has resulted in a knowledge-based economy forcing organizations all over the world including Middle East to recognize and understand the importance of knowledge and

how to manage it efficiently and effectively so as to transform the knowledge and make it a source of competitive advantage as well as convert it to tangible assets of the organization [5]. This study therefore seeks to address how knowledge management can contribute to faculty innovation in the Middle East. To answer this question, the study will focus on the following objectives;

1. To clarify the role of knowledge management in faculty innovation in the Middle East.
2. To identify the drivers for application of knowledge management in faculty innovation in the Middle East.
3. To investigate the nature of the role of knowledge management in Faculty innovation as well as its value proposition

SIGNIFICANCE OF THE STUDY

Some of the world's leading organizations are now investing in KM in order to gain substantial financial rewards through innovation. The significance of this study is to examine the relationship between knowledge management and faculty innovation. It will focus on how KM influences innovation in the Middle East and factors that determine its successful implementation in an organization. In addition, the study will examine barriers that affect KM implementation in organizations and provide recommendations on how they can be overcome. Thus, this study will therefore provide a deeper insight into KM practices which include knowledge acquisition, storage, creation, sharing, and implementation and how they lead to innovation.

LIMITATION OF THE STUDY

A major limitation of this study is that it only focuses on organization in the Middle East despite the fact that KM is being implemented by many companies around the world. This therefore affects the generalizability of the results obtained through this study. Another limitation is that the concept of KM and its role in faculty innovation in the Middle East is relatively new. For this reason, getting sources regarding this subject was quite challenging since not many studies have been conducted. As a result, the researcher was forced to use sources that are similar to the subject although they did not contain all the required content. In addition, getting recent sources published post 2010 limited the number of sources that could have been used in this study. Therefore, only a few sources were available for use which posed a major limitation.

OPERATIONAL DEFINITION

Knowledge management: There is not universally accepted operational definition for knowledge management. However, there are numerous definitions offered by experts. For instance, according to [6], knowledge management is the process through which an organization creates value from its intellectual and knowledge based assets.

Competitive advantage: This refers to a condition that enables organizations to have an edge over their competitors through creation of products and services that are of greater value.

Innovation: This is defined as changing or creation of more effective processes, products and ideas that can adapt to the changing business dynamics.

Tacit knowledge: Refers to knowledge that cannot be communicated easily through written or verbal means since it is highly personal and hard to formalize.

Explicit knowledge: Refers to knowledge that can be expressed in words and numbers and can be communicated and shared easily as hard data, codified procedures, scientific formulae and universal principles.

PREVIOUS STUDIES

Knowledge management in the Middle East

Although there is no specific definition of knowledge management (KM), it is widely acknowledged that its intention is to increase innovation, enhance decision making, improve performance and ensure a sustainable competitive advantage. [11] argues that KM is increasingly becoming a major topic in business today and that organizations that are not embracing it are likely to be left behind. Since the early 2000, developing countries especially OECD members have implemented several initiatives with the aim of encouraging organizations to utilize their knowledge at work. This is because annual surveys that have been conducted in these countries in both private and public sectors have revealed that KM contributes highly to organizational effectiveness and competitive advantage and also helps to address certain economic problems like losses that occur as a result of retiring workers and high turnovers (Fuller, 2012).

Organizations in countries in the Middle East, particularly the GCC countries have been performing well in the past due to adequate financial resources, greater integration into the world's economy, and enhanced working and living conditions. However, these conditions have changed in the recent past in regards to lack of talent in major industries, reduced budgetary allocations for expansion of major projects, and the need for nationalization of employees and opportunities for locals [3]. The new conditions have therefore raised questions regarding the importance of how knowledge is gathered, organized, stored, distributed and used to gain strategic developmental goals. According to a 2009 report by Arab Knowledge, knowledge is a central part in the service of growth and development in the Middle East [9]. Therefore, strategic knowledge management is important for the organizations in the regions since it is a key driver in realizing and increasing the potential of knowledge for sustainable performance.

The role of knowledge management in driving faculty innovation

According to [24], KM is very important for the innovation capability of an organization which strengthens its ability to endure pressure from competitors. One way through which KM drives innovation is by promoting and encouraging a knowledge-driven culture where innovations are stimulated. [19] explain that KM emphasizes on the significance of organizational culture in which innovation, learning from mistakes and creativity are highly appreciated. In addition, through KM, tools are created as well as processes and platforms through which tacit knowledge is created, shared and transferred within an organization to ensure development of innovation capability [23]. Tacit knowledge refers to knowledge that cannot be easily transferred from one person to another through verbal or written communication.

Another way through which KM drives innovation is by enabling cooperation among various departments within the organization and outside via online cooperation forum and organizational platforms like extranets and intranets. These forums are important as they enable the codification and acquisition of knowledge which is used as input for innovation and knowledge thereby leading to a particular innovation process [26]. In addition, KM allows access to knowledge and helps organizations to identify potential partners in knowledge sharing activities and innovation process. KM also drives innovation by increasing absorptive capacity which influences the innovation capability of an organization. This means that it enables organizations to assimilate, transform and exploit knowledge that has been gained from external sources whether tacit or explicit knowledge. This knowledge can then be used as a resource for developing innovations in the organization. Furthermore, [18] argue that KM provides a structured approach to knowledge thereby enabling an organization to identify areas that lack knowledge and need to be filled. Organizations can do this

through operational activities in knowledge management or through innovation in case the gaps are in strategic areas of knowledge.

Factors that promote implementation of Knowledge management in Middle East

In order to successfully implement KM in an organization, there are several critical factors that must be present in the implementing firm. These factors are grouped into three major categories which include managerial influence, environmental influences and resource influences. The managerial influences considered the main drivers of successful implementation of KM in an organization and take up the leading role during the process. They include factors such as appropriate leadership and control which ensures availability of knowledge resources and ensuring knowledge is not only protected from loss but also maintained in a manner that it can be accessed easily [7]. Resource influences includes factors such as financial resources, human resources and technological resources. According to [22] for KM to be implemented successfully, sufficient financial resources must be allocated to the projects, human resources should have people who know how to share knowledge, and appropriate technological resources should be available for capturing, codifying and storing the knowledge.

Resource and managerial resources are internal factors that affect the success of KM while external factors include the environmental influences. They include factors such as governmental influence and social and cultural environment in which an organization operates. [20] argues that environmental factors are quite prevalent in Middle East region where governments tend to be very sensitive regarding the sharing of knowledge and information. Thus, most organizations in the GCC region face are unable to implement KM successfully due to poor and fragmented inter-governmental relation systems [1].

6.4 Barriers to implementation of knowledge management in Middle East

In the GCC region, implementation of KM is faced by several barriers which inhibit the sharing of knowledge in organizations in both private and public sectors [1]. The main barriers that have been identified are associated with organizational culture and trust among individual organizations [2]. Studies have found that organizational culture and knowledge are linked in that culture shapes the understanding of knowledge and its distribution within an organization and other groups [12]. Moreover, culture allows social and collective orientations which make it easier for employees to accumulate and share knowledge in and outside the organization. Their attitudes towards knowledge sharing are also shaped by culture values and norms. Therefore, organizational culture plays a significant role in determining the success or failure of KM programs. For instance, if an organizational culture recognizes and rewards sharing of knowledge, employee may feel motivated more knowledge.

However, according to [12], people from the GCC countries are said to be the most resisting people when it comes to knowledge sharing due to several reasons. One is that, they prefer to build a relationship with a person before they can feel secure and confident enough to share what they know with others. This lack of trust is leads to inadequate exchange of knowledge in the Middle East. For instance, according to a study regarding organizations in Dubai, employees do not often share information with each other due to fear that sharing the knowledge may affect them negatively in future [20]. In addition, the lack of job security and residency rights especially for expatriates contributes to lack of trust, confidence and loyalty to their organizations.

RESEARCH METHOD AND PROCEDURES

Methodology

Data for this study was gathered through secondary research or systemic literature review in which past studies were used to explore and provide an understanding on the role of KM in faculty innovation. One of the main reasons this approach was chosen is due to inability of primary research approach to provide in depth information regarding the relationship between KM and innovation. Also, the researcher chose secondary research because it consumes less time and it is less expensive to gather data [21]. Secondary research provides comprehensive data because it is gathered through qualitative research design. Qualitative approach seeks to find meanings and essence of experience thus developing ideas and theories from the information present.

Procedure

The secondary sources used to gather data in this study included scholarly journals, books, reports and credible internet sources containing appropriate content regarding the research subject. According to [19], it is important to ensure quality of the information that is contained in the secondary sources chosen. This can be done by determining the purpose of the data or the publication so as to reduce the possibility of bias, determining the credentials of the authors of the data, checking whether there is a methodology section on how data was collected, data of publication, the intended audience, and the coverage of the publication. In order to ensure accuracy and reliability of the data collected, recent sources were used particularly those published after 2010 and those that contained content closely related to KM and its role in faculty innovation. In addition, the researcher only selected reliable sources of data and information published by well known authors.

Following the data collection, data was analyzed through content analysis which involves identification, examination and interpretation of themes and patterns present in the textual data and determining how they answer the research question [19]. The analysis process involved several steps. In the first step, data was recorded in form of notes noting the certain details such as date of publication. In the second step, themes and patterns exhibited in the data were noted followed by the third step where the researcher went through the themes and patterns to determine the ones that could be merged or subdivided. The meanings of the themes and patterns were interpreted during the fourth step and connected back to the research questions.

THE RESULTS OF THE STUDY

Knowledge management in Middle East

The readiness for a knowledge economy in Middle East region is lower compared to their overall level of economic development as explained by [1]. It is behind regions such as Eastern Europe, East Asia, Latin America and Central Asia, but ahead of countries in the sub-Saharan Africa and South Asia in regards to adapting a knowledge economy. However, some governments such as have started to adapt their economies to meet the new challenges in business. These include United Arabs Emirates and Jordan governments which have made important reforms and investments to enhance their business environment. [12] argue that some countries in the region are beginning to move towards knowledge-based development strategies by implementing initiatives and reforms which are gradually bearing fruits.

Drivers of knowledge management implementation in Middle East

According to [16], most organizations in the Middle East adopt KM in order to improve work efficiency and productivity. Other factors include to share and capture tacit knowledge, cope with the

financial crises, increase organizational knowledge, improve competitiveness of the organization, share knowledge with external organizations, facilitative collaboration among employees and protect the loss of knowledge in the organization among others. Organizations that implement KM with driven by improved work efficiency are able to reduce operational cost and time by avoiding costly mistakes. It is a primary driver for adoption of KM in the mining, financial, information and media sectors in the Middle East.

Productivity drives the implementation of KM organizations in Oil and gas and manufacturing sectors in the region. [4] explain that KM enables continuous improvement of internal process in an organization thus leading to faster, smarter and hard working employees who can deliver better products and processes. Other organizations in Middle East implement KM with a desire to improve innovation. In this case, the implementation of KM focuses on developing innovative processes and techniques that can help the organization create new products and processes through new business models. This is often a primary driver for implementation of KM in the health-care sector in Middle East.

Role of KM in faculty innovation

Several studies support that there is a strong relationship between KM and innovation. According to [13], for an organization to survive in the Middle East today, it needs to have a competitive advantage which can only be achieved through promoting innovation within its business processes. Some organizations in the Middle East have begun encouraging the transfer of knowledge among employees with the aim of enhancing innovation. In order to tackle the growing market in the Middle East, in 2015 APQC an international leader in KM partnered with Projacs Academy company in Middle East and organized a meeting in the UAE to train attendees on the importance of KM and why organization should invest in it.

Following this conference, organizations in Middle East have started promoting a knowledge-driven culture that is influencing innovations. They are promoting a culture that highly appreciates innovation, learning from mistakes, and creativity unlike before. Furthermore, tools, platforms and processes for sharing tacit knowledge are now been established through KM in order to ensure development of innovation capability. Organizations have also established online cooperation forum and organizational platforms like extranets and intranets with the aim of increasing cooperation among employees. This is leading to codification and acquisition of knowledge used as input knowledge thereby resulting to a particular innovation process [4].

Challenges encountered in the implementation of KM in Middle East

Over the years, there has been a transformation in the management of both private and public sectors in the GCC region moving away from the traditional model of administration to a more flexible and market-based form of management. This new model has brought a lot of new ideas and practices in the business world in the region such as administrative decentralization and flexibility. Although these changes have enhanced business performance and efficiency, they have brought new challenges in regards to knowledge management in organization in the GCC region. [17] argues that when employees move from one organization to another without transferring their knowledge, organizational memory and intellectual capital are affected.

According to a study by [4] on government institutions in Dubai, about 37% of them often employ temporary staff while 50% offer internships to new graduates. Organizations with a lot of temporary staff face the risk of losing knowledge since employees do not feel motivated to share knowledge with others and are less committed and loyal to the organization. Another challenge affecting the

implementation of KM in Middle East region is the high rate of turnover in the region [4]. Following the recent global financial crisis, many organizations in the region lost most of their senior and middle management to other organizations in or outside the region with better opportunities. As a result, the high turnover leads to loss of knowledge some employees leave without properly transferring knowledge to others in the organizations.

RECOMMENDATIONS

This study has focused on the role of KM in faculty innovation in the Middle East with a particular focus on the gulf region. Based on the barriers and challenges faced in the implementation of KM in organizations, several recommendations can be made to ensure successfully implementation. For instance, organizations in the Middle East should create a culture of knowledge sharing by reinforcing mutual respect among employees as well as promoting cooperation through working in teams. Furthermore, in order to sustain competitive advantage, organizations need to develop knowledge resources as well as encourage creativity among employees and improve innovation capacity. Increased efficiency in the use of knowledge resources can be achieved through appropriate knowledge management system which may lead to increased innovativeness.

Organizations that can manage their knowledge successfully as well as have developed systems of innovations are likely to motivate their employees to generate new innovative solutions and improve competencies since they represent key determinants of organizational innovativeness. According to several studies, KM is not a top priority among organizations in the Middle East region. Thus, the governments in the region need to make KM a priority in every organization through implementing strategies that safeguard the experience and knowledge of employees in an accessible and systematic way.

CONCLUSION

This study makes a contribution by providing organizations with a better insight into KM practices and how they promote organizational performance through innovation. Based on the research objects, the study has identified several drivers of KM implementation in an organization. These include the need to increase work efficiency, improve productivity, share knowledge among employees, prevent loss of knowledge, share knowledge with other organization, and promote innovation. Based on the findings of the study, it is clear that KM plays a significant role in promoting innovation. The study has also shown how KM relates to innovation. For instance, KM promotes a knowledge-driven culture that stimulates innovations, and creates tools and processes through which tacit knowledge is created, shared and transferred.

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