

Sociability Organizations Can Facilitate Knowledge Management Through Information Technology?

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Abstract: Result show that knowledge can be seen as one of the key assets for sociability organizations. Sociability organizations can use numerous IT tools in their KM practices which include competency databases, decision support systems, online search systems, expert networks, email, document management systems and workflow software rather than looking at IT applications from a tactical and operational point of view, this study suggests that sociability organizations need to view their IT initiatives strategically. It is important to connect such IT application with other ones and search for synergies among them and management practices to optimize these elements and so that tacit and explicit knowledge from different functional areas and management levels can be created, stored, transferred and used efficiently and effectively. To achieve this, sociability organizations not only need to create a supportive organizational culture and structure but train and motivate their team members to manage knowledge through IT applications.

Key words: Information technology, knowledge management, dynamic capabilities, competitive advantage, strategic management, sociability, sociability services

INTRODUCTION

The competitiveness of a business relies on traditional factors, capital, land, labor and other tangible resources. However, Knowledge Management (KM) replaces these traditional factors and becomes a source of competitive advantage (Kebede, 2010). For example, Drucker (1995) stated that knowledge is the only meaningful economic resource. Jennex stated that organizations should facilitate KM because they need to identify, capture, store and retrieve critical knowledge. KM processes can help organizations in dealing with the transience of knowledge workers and can help organizations understand what they know and how they can use their knowledge effectively to create dynamic capabilities.

There are only a few studies on KM in this field (Chalkiti, 2012; Hu *et al.*, 2009; Shaw and Williams, 2009) but this is a new research area in the sociability and tourism field and more research is therefore needed. According to the dynamic capability view (Drucker, 2008), companies can create and sustain their competitive advantage by developing dynamic capabilities in a changing environment (Easterby-Smith and Prieto, 2008; Teece *et al.*, 1997). Teece *et al.* (1997) refer to dynamic capabilities as an ability to integrate and reconfigure internal and external competencies in order to changing environments. Flexibility and innovativeness are essential when competition is intense and the future is difficult to

forecast. Sher and Lee (2004) suggest that dynamic capabilities needed to change in a volatile environment which include adaptation, integration and reconfiguration of endogenous and exogenous organizational skills and resources.

Dynamic capabilities before their competitors should allow sociability businesses to make decisions, reduce costs, improve quality and new and better products and services (Easterby-Smith and Prieto, 2008; Sher and Lee, 2004). When sociability businesses exploit their organizational knowledge, they should observe improved dynamic capabilities and business performance (Sainaghi, 2010). According to Bolisani and Scarso (1999) when knowledge is the heart component for competitive advantage, its value is related with its “durability”, “clarity”, “transferability” and “replicability”.

This implies that sociability businesses ensure their knowledge assets and durable by new knowledge internally and they must defend their intellectual assets from competitors. KM practices aim to improve quality of decision making, achieve faster collaboration and decision making, find new resources and use them effectively and facilitate innovation (Wild and Griggs, 2008). Sher and Lee (2004) state that effective and efficient knowledge flows within firms are important to establish a dynamic capability. KM systems must allow knowledge flow efficiently in order to improve productivity, quality, innovation and business excellence. KM is therefore, determining in creating dynamic capabilities. There is not

an accepted definition of knowledge and KM (Easterby-Smith and Prieto, 2008; Wild and Griggs, 2008). As the information is related to facts which needs to be interpreted where as intelligence and interpreting information may require knowledge (Kebede, 2010; Wallace *et al.*, 2011). Therefore, managing knowledge is the ability to interpret and transform information in to knowledge (Bolisani and Scarso, 1999). So KM should focus on establishing, maintaining and facilitating activity and communication among experts and solve problems (Blair, 2002). As most innovations come from knowledge, specifically within the company and processing knowledge requires a unique combination of human and information systems (Wild and Griggs, 2008). Nonaka and Takeuchi (1995) divide knowledge into two categories: tacit and explicit knowledge.

Explicit knowledge is easy to understand and through documents, reports, articles and so on. Tacit knowledge is practical knowledge of employees and managers. Therefore organizational knowledge may create the interaction of tacit and explicit forms of knowledge (Easterby-Smith and Prieto, 2008). Beckman (1999) proposed a five-level knowledge hierarchy, in which knowledge is transformed from a lower level to a higher level Data; Information organizing and summarized data; formal rules, policies, processes and models; Expertise; capability refers to organizational expertise. It may be relatively easy to capture explicit knowledge from data and information levels while explicit knowledge can be presented in writing and other forms but tacit knowledge stays within people and may be embedded in organizational and social processes (Ouintas *et al.*, 1997). Certain organizational processes and activities compress tacit and explicit organizational knowledge of the individual and group levels (Carayannis, 1999). There are four modes of knowledge creation and transfer in organizations; socialization; externalization; finally, internalization combination (Nonaka and Takeuchi, 1995) when team members using explicit knowledge, they can develop tacit knowledge in their daily operations. Tseng (2008) suggests that the best way of KM in an organization is to "start with existing structures and methods and then apply them effectively to reach company".

Alavi and Leidner (1999) in relation to facilitate KM procedures propose three related perspectives: the culture-based perspective collective learning improving business practices; intellectual property cultivation. Whereas lack of communication and conflicts between functional areas and different management level practices. Therefore, companies should collect and disseminate accurate data to their employees and managers. So, the

technology-based perspective focuses on creating data mining, data ware housing, expert systems and decision-making tools. Technology should collect, store and transfer knowledge and use it properly. Alavi and Leidner (1999) suggest that organizations need KM practices from the perspective of these three areas to develop capabilities and challenges which is related to each area. Ouintas *et al.* (1997) suggested for KM programs in four dimensions: organizational culture and structure, people, processes and technology.

According to Ho (2009), four allows of KM programs is including strategy and leadership, culture, evaluation and IT and states that these four factors are determined to achieve KM effect. Also, a KM framework, including organizational culture organizational structure, IT and supporting employees, are important elements to consider in facilitating KM practices in organizations (Okunoye and Bertaux, 2008). IT is an important element which influences directly and indirectly environmental factors organizational variables, knowledge processes and knowledge resources. The conclusions are that IT is establishing effective KM practices and can help organizations to create, share and use valuable knowledge as well as make it easily searched and utilized (McDermott, 1999; Tseng, 2008). As a result organizations and enterprises all try to implement KM with information technology.

For example, Ho (2009) noted that IT is tightly connected to KM because it helps distribute structural knowledge vertically and horizontally as well as make it easily searched and utilized. As a result organizations and enterprises all try to implement KM with information technology.

The following section will provide additional discussions on how IT applications can help facilitate KM practices in hospitality organizations.

MATERIALS AND METHODS

KM through IT: IT tools and applications are used in sociability organizations and they can reduce costs, improve service quality, increase revenues and produce faster innovation (Bilgihan *et al.*, 2011; Piccoli, 2008). Lang (2001) stated that after businesses realized that company knowledge is their core adequacy and advances in information processing and internet technologies can help them leverage their knowledge assets, they have made actual investments in using IT applications in their management practices. All IT tools used in sociability organizations but some of these IT tools are expert systems and groupware, data warehouses and intranets Carayannis (1999). Each of IT tools may support a

particular managerial and or organizational process, function and capability. Carayannis (1999) states that due to the fast developments in the IT field, businesses can use new technological and communication tools, facing a huge amount of data on a daily basis, sociability businesses use various IT tools. Data mining, use valuable information may help organizations find. (Carayannis, 1999; Lo *et al.*, 2010). According to Sher and Lee (2004), in order to facilitate knowledge transfer through IT in an organization, three issues should be considered. Comprehensive of IT construction; Knowledge construction and maintenance and knowledge creation. Sher and Lee (2004) further noted that "With an effective IT infrastructure, KM can maximize there turn on organizational knowledge through creating, accumulating and sharing it.

So, knowledge creation incorporates organizational and managerial routines and IT applications may identify and create this knowledge also IT applications can accumulate large scale of knowledge. Finally, the accumulated knowledge is shared throughout an organization. Employees and managers working on similar problems and propose solutions. Milton *et al.* (1999) proposed five key KM activities in creating and transferring knowledge through IT applications. They are: Personalization refers to sharing knowledge through face to face or online interactions and observations. Codification refers to capturing existing tacit and explicit knowledge. Discovery refers to searching a useful knowledge from databases. Creativity/innovation refers to generating new knowledge by using existing tacit and explicit knowledge. Capture refers to using this knowledge and sharing it within the organization.

Therefore, many areas in sociability businesses may use IT applications to help in creating, accumulating, sharing and using knowledge. These areas include employees, revenue management practices, customer relationship management, environmental management systems and recruiting and training employees. According to Tseng (2008), the highest value of using IT applications in KM practices has allowed a vast amount of information to be collected, shared and transferred. IT is an essential to allow of KM practices and there are many IT tools to be used in managing knowledge in sociability organizations.

Challenges in using IT in KM practices: The first challenges are the need for a ranging between the company's strategy and the goals of a KM program (Lang, 2001). For a better facilitate KM practices required a full commitment and participation from all management levels and functional areas in an organization (Lang,

2001). Another challenge is arranging between the company's business strategy and IT practices, so that KM practices and IT tools can support the company's strategy. Maroofi *et al* (2013); stated that sophistication and use of IT tools may vary not only among organizations but within an organization. Therefore, IT applications do not automatically facilitate creation and use of knowledge and that data are the basic buildings of blocks of information which is available in the different form. Maroofi and Moradi (2012) state that IT tools can help organizations and use explicit knowledge in the problem solving and offers a best practice. But, when the environment is dynamic and complex and changes are rapid and radical, IT tools cannot be helpful. Because the applicant of IT tools is limited when trying to find and manage information. Tseng (2008) states that knowledge is a more unshaped resource than data and information and tacit knowledge cannot be easily translated into explicit knowledge. It is also possible that language ability may vary among employees and codes may be different in each functional area and management level (Lang, 2001). Moreover, IT is merely a tool to help the deployment of KM practices. McDermott (1999) argues that knowledge cannot be accomplished by using technology alone; building society is required as sharing knowledge requires a human relationship to think about, understand and share. Experts must be willing to share their knowledge. But, since experts are not willing to share their knowledge, this may create challenges and organizations may not consider such knowledge as their intellectual assets (Blair, 2002). In line with this, Carayannis (1999) suggest that employees will ignore or overthrow the most sophisticated technology of collaboration if they do not trust and respect each other or if they lack a sense of mutual interest in common goals. The valuable potential of electronics knowledge tools may realize in an environment that to encourage and rewards their use. In line with this, Carayannis (1999) notes that: employees will ignore, underuse or subvert the most sophisticated technology of collaboration if they do not trust and respect each other or if they lack a sense of mutual interest in common goals. The valuable potential of electronics knowledge, tools can be only be realized in an environment that encourages and rewards their use.

Blair (2002) states that practicing experts in order to improve their abilities and to train novices must communicate with each other and organization must have a culture that to facilitate the sharing of knowledge. However, McDermott (1999) argues that there are two main challenges in building KM communities: technical and management. The technical challenge is to design human and information systems to help community

members to think together. The management challenge is to create structure and an organizational culture which values and promotes sharing knowledge. Therefore, related to this issue, every sociability organization has privacy and data collection policies that may in return be a potential barrier to facilitate KM practices in sociability organizations. When installing new IT applications, such as data privacy should be viewed from the KM perspective. Finally, most IT tools tend to deal with new ways of doing things as well as storing and communicating information, rather than trying to create, store, transfer and use knowledge (Milton *et al.*, 1999). It may therefore, be difficult to connect different IT applications or create interfaces and synergies between them in sociability organizations.

RESULTS AND DISCUSSION

This study suggests that how sociability organizations can facilitate KM through IT. In this study several conclusions are provided. First, sociability businesses can develop dynamic capabilities and subsequently create and sustain competitive advantage, therefore knowledge can be one of the most important assets. So, the business can develop unique dynamic capabilities and that the company can implement its company's strategy and achieve its objective. Therefore, sociability businesses may act as knowledge processing companies and implies their employees and managers as knowledge workers.

In addition, they have to think and find what unique knowledge they possess, so that they can capitalize on this knowledge. Second, in a tacit, unstructured and dynamic form knowledge can exist. Therefore, in terms of creating, storing, transferring and using tacit and explicit knowledge the use of IT tools may help sociability businesses. In KM initiatives, numerous IT tools used in sociability organizations that includes competency databases, email, workflow software and decision support systems, expert networks, online search systems and etc., Therefore, an integrated IT infrastructure, including database systems, networks, web-based technologies and a wide variety of communication can help to manage knowledge.

So, IT tools must help create, accumulate, transfer and use both tacit and explicit knowledge by human experts. This shows that each IT tool from an operational point of view, sociability organizations should view each IT initiative strategically and explore how this IT initiative, manage knowledge as well as determine how other IT tools can be used and connected with this new one. It is important to search for synergies among different IT

applications and management practices to optimize these elements and can be created tacit and explicit knowledge to store, transfer and can be used efficiently and effectively.

Finally, the research suggests that due to some elements such as support from senior managers organizational structure, culture and resources are important for IT tools because IT is an essential for allowing of KM practices. In addition, in sociability organizations (e.g., The South East Asian countries) due to the lack of ranging between the company's business strategy and KM practices, lack of support from senior executives, limited resources or limited support from employees to utilize IT tools there may be certain challenges in allowing IT tools to facilitate KM practices. In particular, through IT applications, to create a supportive organizational culture in managing knowledge, it is essential to train and motivate employees.

CONCLUSION

This is one of the first studies in the sociability field which offers discussions on how sociability organizations can facilitate KM through IT applications. Therefore, in this research it is provided to stimulate further research in the sociability field in the South East Asian countries and help practicing managers in developing and implementing KM initiatives in their organizations. This research offers valuable ideas for future research. Future studies in this area can collect data from sociability organizations to investigate how they facilitate KM practices what type of challenges they face.

For future study data can be collected via surveys and semi-structured interviews. Focus group interviews and Delphi technique can help researchers collect data from sociability organizations (e.g.; The South East Asian countries) on their KM practices and how they can use their IT tools. The empirical findings from future research projects should provide how KM initiatives can lead to a competitive advantage in sociability businesses and how IT tools can be utilized in these initiatives.

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