



Full Length Research Article

IMPORTANCE OF ORGANIZATIONAL KNOWLEDGE SYSTEM

***Abdulmunem Saleh AlShehhi and Sajjad Mohammed Jasimuddin**

University of Dubai, UAE

ARTICLE INFO

Article History:

Received 22nd October, 2016
Received in revised form
28th November, 2016
Accepted 17th December, 2016
Published online 30th January, 2017

Key Words:

Organizational Learning,
Knowledge Management,
Talent Management and
Organizational Knowledge Systems.

ABSTRACT

Purpose: This research paper aims to explain the impotence of several concepts (organization learning (OL), knowledge management (KM), talent management (TM) practices and organizational knowledge systems (OKS) in order to have good understanding of the subject.

Design/methodology/approach: This paper analyzes the importance of talent management practices, organization learning and knowledge management to provide importance organizational knowledge systems.

Findings: This research is presenting the importance of OKS and understands how UAE work environment deals with these concepts. The OKS can help organization to involve easily in any initiatives by building cadre who are able to lead towards more growth, success and innovation.

Originality/value: This paper has focused on the impotence of OKS which have not been addressed in the literature before. Also the expected values that research paper can add is especially for organization that can be used to create knowledge strategic plans within each organization.

Copyright©2017, Abdulmunem Saleh AlShehhi and Sajjad Mohammed Jasimuddin. This is an open access article distributed under the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

INTRODUCTION

An OKS is considered one of the most important parts of an organization's activities. Knowledge and learning become important elements among other assets in the entities (Alshehhi and Jasimuddin 2016). Knowledge management can work together in a system with organizational learning processes and talent management practices to improve organizational performance outcomes within entities. The heart of an organizational knowledge system is knowledge management. It plays an important role in improving an organization's outcomes. However, organization learning and talent management combine with knowledge management to form an organizational knowledge system model (Jasimuddin and Alshehhi 2016). Knowledge management is an organizational knowledge that feeds the learning process to increase the performance of human beings in a systematic way. While, Organizational learning is continuous process of learning through organizations in order to build learning organizations. However, Talent Management Practices are an implementation of systems and actions focusing on career planning, attraction and appraisal, to improve the knowledge within the organization (Alshehhi and Jasimuddin 2016). This article provided the required background related to the objective of the research.

This paper reviewed the literature of the main elements of OKS and showed how they differ. The definitions are useful to find out the impotence of OKS in UAE entities. In today's OKS based on KM, OL and TM are viewed as the most strategic resources entities possess. Furthermore, learning, skills, and knowledge form part of the strategic plans of government entities, particularly in developing areas.

Importance of Knowledge Management in the UAE

Many organizations in the UAE have implemented Knowledge management in their systems. They found how is important to have a knowledge management which can lead them to better performance. Government organizations, semi government organizations and private organization are parts in this implementation. Norita Dahgous (2010) has analyzed in his research paper the business sector in the UAE based on their level of involvement in know sharing activities with external sources, internal organizational innovations and the barriers and benefits of joining knowledge networks. According to her research, she found that a very few industry clusters, knowledge networks, and consortiums in the UAE region. The Supply and Logistics group (SCLG) is the one network has quite active located in Dubai which is working in providing education and seminar to participating people and international scope through partnership and alliances. In addition, Dubai Health Care City (DHCC) is an example of consortiums in Dubai and the Institute of International Research (IIR) Middle East is an example of industry consulting which provides

services in industry-focused conferences, seminars, specialized training programs, and industry exhibitions (Daghfous2010). Daohfous (2010) found that the senior managers and any organization's managements should have three knowledge dimensions in order to apply successful Km. These dimensions are skills and knowledge that employees obtain, supported managerial systems for KM and physical systems necessary for communication and IT purposes and values and norms initiated by senior managers. In fact, organizations should create and transfer the knowledge within employees as a knowledge networks. In author's view, the UAE Government should spend more efforts to build a legal environment that give confidence for employees and encourage sharing knowledge and information. He suggested to government to introduce formal appraisal systems to encourage and reward cooperation and sharing of ideas.

The results of the study show that the concept of knowledge management is still not well received in this region. Most of companies interviewed are concerned about confidentiality of their knowledge and the presence of competent and trustworthy partners in such Km structures. In fact, Km practices needs the cooperation and presence of related and supporting industries. The presence of external sources such as consortiums or industry cluster is necessary for innovation to take place, creates a positive macro environmental factor. The UAE market is growing market and organizations should, so the organizations should start to create a positive external macro-environment for external and internal KM practices. (Daghfous 2010). In the other hands, some researchers tried to measure the knowledge management in organizations as they believed in the importance of Km and how it can help in development and strategic process. Yoosuf Cader and others (2013) did a study on KM in bank sectors in the UAE. They believed that the banks that survived from the last financial crisis are those who have full and accurate knowledge of their customers' profiles. They made a research to have a clear insight into the extent that knowledge management is applied in Islamic and conventional banks in UAE.

The results have shown that the Islamic banks are more engaged in KM than conventional banks. But generally both of them focused on knowledge capture, knowledge transfer, and knowledge sharing. The authors found that most banks in this study implemented basic KM and they are still in early stages. In addition, there is slight knowledge-based marketing taking place in these banks which is important for long-term organizational success. Also, there is no dedicated knowledge champion (KM officer) in banks. Generally, there is no strong KM culture within their organizations, (Cader *et al.* 2013). Alrawi (2008) has studied knowledge management perception in UAE and he has used sample of 102 managers from different organizations in Abu Dhabi to find their attitudes towards KM. the results have shown that many managers expressed concerns over technological issues such as infrastructure and data security in the web. KM resources will be best employed by organizations utilizing technology as a long-term investment (Alrawi 2008). Siddique (2012) has made a search for data on knowledge management (KM) initiatives of business organizations in UAE as one of the rapid economy in the Gulf area which is a time to consider KM initiatives of organizations in the UAE and the challenges they face in KM adoption and implementation. The research has been used a survey as methodology and distributes in some companies in Abu Dhabi and Dubai as a sample in order to

collect the data on KM practices. The results shows that the KM practices is steadily being recognized in UAE and some organizations have applied some programs related to KM as initiatives which are focused on explicit knowledge, and companies' investments in building ICT infrastructure. The successful factors in companies to move forward KM practice and theory in UAE are KM strategy in companies, top management commitment, proactive HRM policies, and a supportive cultural environment (Siddique 2012). Another study on KM in the UAE was done by Saber (2015). The purpose of his research paper is to identify knowledge management (KM) attributes for large and small manufacturing companies in the UAE and to recommend an evaluation process for competitive priorities of these companies. Hierarchical Process (AHP) method has been used in this research to deal with multi criteria decision making process and achieve better customer focus, and to select the competitive dimensions of these companies. There are four operational competitive priorities have been used which are cost, quality, flexibility and delivery.

They are used in literature as winning criteria (e.g. Hayes and Wheelwright, 1984). Know-how, know-why and know-what, are three KM's attributes that have been chosen as a decision criteria and in questionnaire. The questionnaire were also have used four aspects of manufacturing capabilities which are flexibility, cost, quality and delivery. It has been collected from six aluminum manufacturing, three large and three small, companies in UAE. The result shows that large manufacturing companies are focus more on "Know-Why" knowledge attribute in all four competitive priorities for achieving customer focus. Whereas small size manufacturing companies focus more on "Know-What" knowledge attribute which means focus on flexibility and quality as two competitive priorities (Saber 2015). The author also depended on secondary data (collected from literature review) to review competitive dimensions of manufacturing and KM. He found that the flexibility has the highest priority weight (0.36) in large manufacturing companies. In fact, the flexibility is important to move the companies for new opportunities and make them capable in changing its production volume. It also helps companies to shift their competitive priority from cost and quality to innovation and offering new products and services, (Saber 2015). "This flexibility allows companies to adopt different production strategies, quickly rearrange their production lines, multi skilled labor and economies of scope in order to respond quickly to changing customer demands" (Saber 2015).

Importance of organizational learning in the UAE

Rizvi (2015) has presented study under the title "Employee suggestion scheme sustainability excellence model and linking organizational learning: Cases in United Arab Emirates. The author has suggested a sustainability assessment model of three stages (initial stage, the developmental stage and the advanced stage) and reviewed the OL effects. Beside the literature and collected data, the case of organizations in the UAE supported the assessment framework. The framework has presented five factors in details for suggested sustainability system which are: 1) leadership and work environment, 2) system capability, 3) system effectiveness, 4) organizational encouragement and 5) system barriers. These factors effects on customer satisfaction, product quality, process improvement, profitability and employee productivity. In

addition, the study has shown an exceptional relation between suggestion scheme program and organizational learning (Rizvi 2015). All three cases of organizations confirmed that the suggestion scheme has effects on customer satisfaction, product quality, process improvement, and profitability and employee productivity. In addition, employees have freedom to do their daily jobs and make their suggestions as per their own wish (Rizvi, 2015).

El Kassar in his study has tried to find out the concepts of OL in private companies in Dubai in the United Arab Emirates. The author believed that the OL has become very interesting and important topic in recent years. It has been considered about the importance of OL and its impact on the performance and OL advantages on organization. The survey was distributed of a sample of private companies in Dubai that includes different levels of management such as general management, operations, administration, human resources, marketing sales, and technical head. These were chosen as they know to evaluate the organizations' learning requirement. The Measuring learning orientation has been taken from literature by Watkins and Marsick (1993; 1999), Senge (1990) and Garvin (2000). DLOQ (Dimensions of the Learning Organization Questionnaire) is the used scale to calculate the correlation of seven learning organization dimensions and specific organizational characters related to financial and knowledge performance. The author concluded that the private companies in Dubai accept to some Learning Organization Dimensions that measured using DLOQ (El Kassar 2016).

The importance of organizational learning let some Abu Dhabi government entities work on promoting the culture of organizational learning, its concepts and practices through concentrating on continuous development of national human resources, boosting their collective capabilities in addition to the provision of advisory services to government entities seeking to achieve excellence and implement the world's best practices each in their fields. One of these government entities is the Emirates Identity Authority which has announced launch of the "Emirates Center for Organizational Learning" the first of its kind locally and regionally. In addition, Dubai Government Excellence Program is promoting the organizational learning as an important part to achieve the excellence in government organizations. The Emirates of Identity Authority has organized International Organizational Learning Conference since 2012 with participation of hundreds experts and specialists from inside and outside the country. This conference is aimed at raising awareness of the concepts and practices of OL, and how to improve organizations' internal culture to become a learning organization in accordance to the best and latest international practices in the field. (Emirates ID Organizes the 2nd Organizational Learning Conference with participation of 400 experts and specialists 2013). Having such kind of conference reflect the desire of government entities to take benefits from OL and learned from other entities experience.

In addition, Ras Al Khaimah Courts understood the importance of OL, so they have distributed OL concepts between their employees. Ras Al Khaimah Courts have believed that OL is a basic part of Organizational Excellence specifically during the evaluation and review stage (radar mechanism), pointing out that they cannot improve without measurement and learning. Ahmed Al Khatri, the Chairman of

RAK Courts, has pointed in his speech during a lecture «institutional education», aimed to spread OL culture among courts' employee, that the close link between learning in government institutions and loyalty. The behavior of one employee only on the reception and customer service of any government organization offices can be gives an impression of the entire state for years. He confirmed that the learning should be established as a method of work and culture. Furthermore, the department seeks to instill in its employees, Learning is the responsibility of all staff to develop their skills and learn from each other, as well as the allocation of the necessary resources for the development and sustainability of the institutional memory to have, and focus on the use of the best practices and the dissemination of their experiences and help others in their quest for learning.

The lecturer "Ala Grad" adviser in Excellence, training and member of the Board of Trustees of the Emirates College of Technology known institutional learning that «the process of amending the institutional behavior by hiring different processes activities, and lessons learned from both inside and outside the organization to improve performance in a systematic way and the transition to an educated Foundation. Grad added that «the OL is an enterprise which learns its members and benefit on a personal level and institutional, an institution that emerges joint from different levels of management vision, and not have an institutional memory, and feel every individual whereas on growth and excellence», an institution «which improve skills individual, behavioral and grow the creative abilities of its employees, and apply the spirit of collegiality, mutual respect and trust in words and deeds, and is focused on work teams and teamwork regulator, and where there is no culture of blame and allow free trial and experience ».The learning is generally having several levels: individual and collective, institutional and government learning. This is achieved individual learning through guidance and reflection and targeted training and coaching the cross, job rotation, conferences and workshops, and informal learning, while collective learning is achieved through quality workshops, team problem solving, revisions, and tasks sharing. The institutional learning can be achieved through benchmarking, analysis, organizational excellence awards, auditing, self-evaluation, secret shopper, suggestions, and complains system. (RasAlKhaimah Courts spread the Organizational learning Culture 2014).

Importance of Talent Management Practices in the UAE

Sharma (2015) has selected some of UAE organizations to find out the strategies for talent management. The author was looking for how the reduce employees turn over and manage human capital for in the UAE business environment. The questionnaire has been distributed with respondents. The results have shown that there are two types of strategies implemented by organizations in the UAE which are short-term and long-term strategies. The organization provides financial benefits to the employees for their performance in the short term, while the organization growth gives job security to their employees and makes them more interested as the chance of dispensing employees will become less in long term. This study can help organizations in UAE that are looking to reduce employee turnover which is one of issue faced organizations through the industry in the UAE (Sharma 2015). Alyammahi (2013) has tried to discover in her study how the talent management effects on developing nationals in government

organizations. The study focused on four factors: 1) leadership development, 2) employee development, 3) Emiratization and 4) talent management. The study shows these factors and how it affected talent management to increase the motivation, loyalty and efficiency of talented employees to their organizations and how let them stay more in their jobs. The interviews were made with 16 employees from government organizations in Dubai. The result has shown that talent management played an important role to develop nationals beside leadership development and Emiratization (Alyammahi 2013). Emiratization is a UAE government initiative to employ UAE nationals in public and private sectors and provides training and development programs to find jobs and reduce number of unemployment among nationals. It is a vital factor in TM and in developing young Emiratis to engage in jobs in both public and private sectors. Tansley (2011) has discussed that academic researchers did not focus on fixing the practical and theoretical gaps of TM, but they focused on training and development in organizations even and the practical community believe in the importance of the TM (Alyammahi 2013). The interviews with participants provide many views and opinions of them. The results has shown lack of awareness of TM concepts even they are interested to have individual department for TM in their organizations in order to develop their abilities and skill and increase their performance and creativity especially for talented employees.

In addition, the results has shown that most organizations of participants did not applied systematic TM system which reflect the lack of systematic policy and practice for TM in organizations in the context of the UAE. So, the author found TM Comprehensive system is absent. Furthermore, managers and leaders have interested in applying TM in government even with the lack of knowledge of TM with some managers and employees. The result of this study is similar to results of Hughes and Rog (2008) study as TM is extremely significant in organizations as it focuses on obtaining and retaining required talent. The study recommended to create formal TM system in organization and its program should concentrate on developing employees' skills, competencies, and behaviors that lead to success. Blass et.al (2006, p.1) mentioned that: "TM is more than HRM, leadership development initiatives or succession planning. It is the collective approach to recruiting, retaining and developing talent within the organization for its future benefit, and extends beyond the domains listed above to include strategy, organizational culture and change management" (Alyammahi 2013).

AlJunaibi (2014) has provided a complete understanding of relationship between talent management and employee engagement. The author has also examined the effect of TM practices on employee engagement in semi-government organizations in Abu Dhabi in UAE. He focused on his study in UAE as most founded literature of TM and Employee Engagement, and their effects on organizational performance in western contexts. The study has presented these two concepts to identify the main talent management factors that effects employee engagement and to provide empirical evidences of the relationship between TM and EE as a primary data. A survey was distributed to employees who work in oil and gas industry. A survey divided into three main parts which were demographic, TM and EE to measure them. Four TM categories were identified in this study which are: 1) growth, learning and opportunities (talent development), 2) compensation and benefits (reward ad recognition), 3) work

environment and policies (talent policy) and 4) management support (leadership support). The author tried in his paper to find the relationship between TM factors and employee engagement factors. The employee engagement factors that were identified in the study are 1) career planning & Incentives, 2) organizational culture and organizational support. Each factor from both concepts present in questionnaires through several questions. After analyzing the collected data, the result has shown that TM factors (talent development, recognition, and leadership support) have correlated positively with employee engagement. The strongest correlation was between TM factor of "growth and Learning opportunity" and employee engagement. 67 % of the employees approved that their organizations are worried about their future career development and growth opportunities. And 60% of employees agreed that their organizations' training programs help them to develop.

Therefore, the organizations need to establish TM system in order to increase employee engagement's levels by enhancing policies and work environment and gaining support by organization's management (AlJunaibi 2014). In fact, the limitation of this study that is the study covers the employee in semi government organizations and specifically from oil and gas industry. The results will become more accurate if additional research will be done to include seven emirates and all sectors in the UAE (AlJunaibi 2014). AlSuwaidi (2014) has examined the relationship between training and development and TM. Based on Federal Demographic Council contract with the British University in Dubai to evaluate TM at micro and macro levels in all sectors of the UAE, this study was supported by them. The study tried to understand how employees from different levels define the TM especially semi government organizations. In addition, training and development is an important component of many TM systems that help to develop semi-government organizations' performance. The interviews were done with different levels of employees as a methodology of this study. The results have shown difficulties linked with training, learning and development (TLD) in TM context. There are also difficulties experienced from the unwanted turnover of talent. The case study has shown that there is a lack of processing and implementation of suitable training, and a lack of awareness of the importance of TLD in organization's management. Furthermore, non-allocation budget for TLD is one of problem too as they found them a cost money manpower, and waste time. In fact, organizations should support TLD initiatives and allow the HR department to leverage it.

The author agreed that TLD has positive effect on the organization and has close relationship with performance. Leaders can play a role in activate TM in terms of TLD in their organizations. TM needs to be successful to establish talent development systems with developing global competencies. "Talent developed for the specific market and culture can result in better performance" (Kim & McLean 2012, p. 575) (AlSuwaidi 2014). "TM brings many advantages to semi-government organizations. It can augment leadership connections, increase retention, reduce employee turnover, improve business results directly through excellent financial outcomes as well as indirectly" (AlSuwaidi 2014). Organizations have learnt from last market swings that management performance is necessary to ensure the continued success. Organizations in UAE take advantages from the past and prepare for the future. The key success is the talent

people, so advanced organization in the UAE have changed their talent management policies to adapt the changes. They are struggling to find the talent people to continue the plans for UAE and GCC growth. The result of survey was made by the National Newspaper and its meeting with senior human resources professionals has shown that TM is still a high priority in the GCC. Much discussion has occurred, both locally and internationally, on the different ways that Abu Dhabi and Dubai have fared over the past 12 months and their plans for the future.

Indeed, there are three organization's types in UAE which are:

- **Survivors:** organizations with low cash liquidity and have been quite badly burnt by events.
- **Stable player:** "maintaining" positions organizations with reduced liquidity options.
- **Investors:** organizations with cash that are looking for diversify grow and take risks.

All three types are very different but all of them focused on increasing quality and improving quality when it comes to TM (The National 2009).

Importance of organizational Knowledge System in the UAE

The importance of having OKS in the UAE is inevitable. We found that many organizations in the UAE have implement KM in their system and others are not really take it officially. KM, TM and OL can improve the performance, so it's very important to have them in global and diverse market like UAE. Organizations need to save themselves from any market swings for profit organization of any loose for all organizations including government ones. So, building OKS system can help all organizations to be successful. UAE government should spend more efforts to build a OKS system in their organizations as all previous study has proven the importance of KM, OL and TM in UAE organizations. Even these studies are not enough but the effects were obvious. If we talk about as the excellence is important concepts in the UAE and most government organizations are involved in different excellence programs and tried to meet all standards and earn high scores. The government should involve the OKS elements in excellence programs awards as there are already includes in indirect way.

The literature review of studies related UAE and mentioned above have shown in their results the positive effects of KM, OL and TM on different work environment in UAE. We can find that Islamic bank and conventional banks engage KM for long term success even their KM is in early stages. In other hand, many studies have shown the government organization efforts to have OL as they believed that can help them in developing and improvement. In talent management side, the organizations believe how talent people can add values in their organizations and mostly the TM is not focused as HR did. But some researcher tried to study TM in UAE and its effects on organizations. All the studies confirmed that TM should takes place in organizations in UAE as its positive effects in organizations' development. So, having complete system is better than having one rather than others which will achieve better performance. OKS can create a healthy work environment that can help to innovate and develop. As we see, the government in the UAE focused on any initiative that can

improve that work quality. In 2015, the UAE government announced 2015 as the Year of Innovation to support federal government efforts, attract national skills, and keep pace to rapid change. And in 2016 UAE government announced 2016 as a year of reading. Not only to create generation of books lover but also the reading can open wide skyline to society (including employees) to learn and develop. The government will honor the best organization that supports reading year in UAE national day beside other honors. These initiatives will not stop and in next year we may see other initiatives that support development. With these initiatives and government decision, the UAE government organizations should develop their employees to keep pace with these changes. OKS system will help organization to involve easily in any initiatives by building cadre who are able to lead towards more growth, success and innovation.

Conclusion

The researcher has considered OKS as continuing processes through KM and learning processes in a systemic way within an organization activated by employees (Alshehhi and Jasimuddin 2016). By reviewing the literature reviews of TM, KM, and OL in the UAE in order to find out the importance of OKS and understand how UAE work environment deal with these concepts, all studies admitted the importance of these elements for organizations' success. The OKS will help organization to involve easily in any initiatives by building cadre who are able to lead towards more growth, success and innovation.

REFERENCES

- AlJunaibi, Mohamed. "Talent Management and Employee Engagement."The British University in Dubai. December 2014. <http://bspace.buid.ac.ae/bitstream/1234/704/1/120176.pdf> (accessed September 2016).
- Alrawi, Khalid W. "Knowledge management and organization's perception in the United Arab Emirates: case study." *International Journal of Commerce and Management*, 2008: 382 - 394.
- Abdulmunem Alshehhi, and Sajjad Jasimuddin . "The Notion of Organization Knowledge Systems." *International Journal of Business Administration and Management Research*, 2016: 24 - 29.
- Abdulmunem Alshehhi and Jasimuddin, Sajjad. "A Framework for Organizational Knowledge Systems." *International Journal of Business and Administrative Studies*, 2016: 194 - 201.
- AlSuwaidi, Nawal. "Training in the UAE Context of Talent Management. A Semi-Government Organisation Case Study."The British university in Dubai. May 2014. <http://bspace.buid.ac.ae/bitstream/1234/649/1/110118.pdf> (accessed September 2, 2016).
- Alyammahi, JemeiahRashed. "Developing Nationals in UAE Government Organizations."The Biritish University in Dubai. December 2013. <http://bpace.buid.ac.ae/bitstream/1234/634/1/110012.pdf> (accessed September 1, 2016).
- Cader, Yoosuf, *et al.* "Knowledge management in Islamic and conventional banks in the United Arab Emirates." *Management Research Review*, 2013: 388-399.
- Daghfous, Norita Ahmad. "Knowledge sharing through inter-organizational knowledge networks." *European Business Review*, 2010: 153-174.

- El Kassar, Tarek. "Social Science Research Network." The Learning Organization Concept: A Study on Private Companies in Dubai. 2016. <http://poseidon01.ssrn.com/> (accessed August 2, 2016).
- Emirates, I.D.2014.Organizes the 2nd Organizational Learning Conference with participation of 400 experts and specialists. 2013. <http://drweb.emiratesid.ae/en/media-centre/news/2013/10/23/emirates-id-organizes-the-2nd-organizational-learning-conference-with-participation-of-400-experts-and-specialists.aspx> (accessed June 27, 2014).
- RasAlKhaimah Courts spread the Organizational learning Culture. July 8, 2014. <http://www.mohamoon-uae.com/default.aspx?action=DisplayNews&type=2&id=23534&Year=08/07/2014> (accessed August 7, 2016).
- Rizvi, Flevy. "Employee suggestion scheme sustainability excellence model and linking organizational learning." *International Journal of Organizational Analysis*, 2015: 425 – 455.
- Saber, Matloub. "Competitive priorities and knowledge management: An empirical investigation of manufacturing companies in UAE." *Journal of Manufacturing Technology Management*, 2015: 791-806.
- Sharma, Abhilasha Singh. "Strategies for talent management: a study of select organizations in the UAE." *International Journal of Organizational Analysis*, 2015: 337-347.
- Siddique, C. Muhammad. "Knowledge management initiatives in the United Arab Emirates: a baseline study." *Journal of Knowledge Management*, 2012: 702 - 723.
- The National. August 10, 2009. <http://www.thenational.ae/business/talent-remains-vital-to-success-in-uae#full> (accessed August 25, 2016).
