Chapter 12

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ABSTRACT
This chapter seeks to develop a model for understanding Knowledge Management (KM) practice in an Arab socio-economic context. To achieve the objectives of the study, a conceptual KM model was proposed and described; it was then illustrated using a case study. The chapter adopts a case study approach as a powerful source of understanding the KM specificities. Twelve interviews were conducted with executives of a telecommunications company, and then were systemically analyzed. Based on the findings of the study, a profile of KM in an Arab country is developed as well as a holistic and integrative KM model. The final model concludes with a proposed a three-layer KM model. The first layer includes KM drivers (market liberalization, technological advancements, and customers’ preferences); the second includes KM processes (knowledge strategizing, sourcing, composing, sharing, and using), whereas the third layer includes KM enablers (KM buying behavior, convergence of business and technology, source-data quality, project championship, process-based structure, and sharing culture). However, the proposed model requires further testing through conducting more case studies to be able to capture the best practice of KM in this important region.

INTRODUCTION
Business organizations of the new economy operate in a highly competitive and turbulent business environment. Organizations are faced with fierce competitive pressures arising from technological advancements, globalization of markets, deregulation, liberalization, privatization, as well as rapid political and governmental changes that place huge demand on firms to remain flexible, responsive, and innovative (Drucker, 1995; Teece et al., 1997).

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Developing an Integrated Model for Understanding Knowledge Management Practices

The resource-based view of the firm recognizes the importance of organizational resources and capabilities as a principal source of creating and sustaining competitive advantage in market competition. According to this approach, resources are the main source of an organization’s capabilities, whereas capabilities are the key source of its competitive advantage (Grant, 1991). As knowledge is one of the principal resources in service-oriented firms, effective usage and management of knowledge resources is a prerequisite of gaining distinctive advantage.

However, successful implementation of business concepts and practices in industrial Western economies may not necessarily replicate itself with success in emerging economies, e.g. the Arab region, if implementation was not carefully customized to fit the available organizational infrastructure and to the specific society and culture. The aim of the paper is to develop an understanding of Knowledge Management (KM) approach in a changing and fast growing Arab region, and to propose a model for a successful KM strategy in such a socio-cultural context.

THE IMPORTANCE OF KNOWLEDGE

The beauty of using knowledge as a base of sustainable competitive advantage is that it is a non-depleting resource. Unlike other business resources that diminish once shared, knowledge development follows the law of increasing returns - the more knowledge is used, the more value it creates. Furthermore, the more knowledge is shared, the more new knowledge is generated. Knowledge sharing, therefore, is becoming a successful way to increase the value of ‘intellectual assets’ in improving knowledge-intensive processes and adding value to customers and profitability to the business. There are several key attributes of knowledge, which must be factored into KM practices (Kluge, et al, 2001; and Davenport and Prusak, 2000):

- **Subjectivity**: context and individual background shape the interpretation of knowledge.
- **Transferability**: knowledge can be extracted and transferred to other contexts.
- **Embeddedness**: knowledge is often in static and buried form that makes it difficult to extract.
- **Self-reinforcement**: knowledge is the only unlimited resource, the one asset that its marginal utility increases and does not decrease once used or shared.
- **Perishability**: knowledge can become outdated.
- **Serendipity (spontaneity)**: knowledge can develop unexpectedly in a spontaneous or incidental process (e.g., water cooler knowledge exchanges).
- **Velocity**: speed with which knowledge moves through an organization (e.g., computers and networks excel at enhancing the velocity of knowledge).
- **Viscosity**: richness or stickiness of detailed or subtle knowledge transferred (e.g., apprenticeship or mentoring relationship)

KM MODELS

Although KM is a young discipline for which no universally accepted model has been established, some authors were concerned with creating KM models. The role of KM models is to oversee, or provide guidance for, the discipline (Rubenstein-Montano et al., 2001a). KM strategy model is a high-level approach for outlining the processes, tools, as well as organizational and technological infrastructure needed to manage knowledge gaps or surpluses and to permit knowledge to flow effectively (Zack, 2002b). Some researchers argue that KM strategy may replace the firm’s business strategy, or, a business strategy may evolve to become a KM strategy, or, the two strategies may complement one another (Civi, 2000; Vera,