Tourism Entrepreneurs Awareness Level of Knowledge Management: A Literature Review

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Abstract

Background: Contemporary organizations, more importantly, tourism and hospitality sectors, are heavily based on knowledge intensive dimensions. As they are emerging industries, and these sectors face fierce competition and strive for modernization of their business activities. However, the aging workforce in these industries poses huge challenges for the process of modernization. Organizations in these sectors do not follow knowledge management mechanism. As the importance of knowledge management is not well materialized, a comprehensive study is required to understand the grounded reality based on current need for practicing knowledge management in these sectors.

Objective: This study is conducted to identify various dimensions of knowledge management in tourism and hospitality sectors based on literature survey and to suggest managerial implications for managing knowledge in tourism and hospitality enterprises.

Methods: within the framework of qualitative research, this study uses guided literature reviews, seminar discourses and general observation for collecting the data and analysis.

Findings: This study has identified several dimensions that show shift of paradigm in knowledge management highlighting the importance of knowledge management in tourism enterprises. The study explores tourism entrepreneur’s awareness level of knowledge management. Informed with the related theories of knowledge management, the study explores measures for achieving sustainable tourism development through effective knowledge management.

Conclusions: The study indicates that in order to advanced performance of these sectors, the owners and tourism entrepreneurs strategically require implementing the principles of knowledge management effectively.

Implications: This paper may serve as instrumental as it attempts to analyze awareness level of tourism entrepreneurs on knowledge management providing evidences for its enhancement and development in Nepal.

Keywords: Organizational Performance, Entrepreneurs Awareness, Knowledge Management, Tourism Entrepreneurs.

Paper Type: Research paper

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Introduction

The concern of knowledge management awareness and importance has continuously growing in the field of management research and policy documents. Studies in recent decades claimed that positive knowledge helps an organization in designing innovative need-specific adjustments (Bamel & Bamel 2018; Gavaria-Marin, et al., 2018). Knowledge has become the factor of competitive advantage in today’s contemporary organizations as higher the knowledge dimensions are identified, higher the organizational performance are achieved (Daud & Yusuf, 2008). In Indian context, Chawla & Joshi (2010) observed that knowledge management has been highly practiced in private sector organizations compared to the public sector organizations because private organizations face fierce competitions and innovative ideas are frequently encouraged; likewise the leadership and entrepreneurship skills are the major factor for knowledge management.

Joe et al. (2013) found that knowledge and experience of individuals can be developed through formal qualifications, on job trainings and most importantly the positive attitude of workers along with the awareness of the significance of knowledge management among leaders and entrepreneurs. Another study by Bamel & Bamel (2018) depicts social and IT resources could enhance the strategic flexibility and act as a high mechanism in the resources of the firm and further argues that leadership skills is important for practicing knowledge management in organizations. Studies argued for the importance of knowledge management, and had the opinion that there is still a huge challenge posed by the aging workforce as a large number of this workforce will soon leave the industry. This can be severe impact on the industries functioning because of the unavailability of the knowledge with the newly recruited employees. Therefore, organizations should identify and develop their own unique knowledge management strategies in order to transfer the knowledge and apply them in different situations (Song & Sun 2018; Sumbal et al., 2017; Joe et al., 2013).

In Nepalese scenario, the Government of Nepal and Department of Tourism reported that year 2020 will be "Visit Nepal 2020", a year that is devoted to tourism industry of Nepal. The Government expects more than one million tourists to visit Nepal in “Visit Nepal 2020”. Khanal (2016) argued that our managers and employees are not aware of knowledge management strategies. Most of the organizations possess flat structure, strict communication hierarchy, limited resources leading to significant impact on knowledge management as well as on earning of foreign exchange as expected (Simpson, 2007; Ramasamy & Swamy. 2012).

Knowledge management has attracted the interest of practitioners, consultants and researchers around the world and, over the last decade, knowledge management has developed as one of the emerging management concepts, especially in the tourism and hospitality industry (Massingham 2014; Hallin & Marnburg, 2007). As the importance of knowledge management is not adequately studied, a comprehensive study is required to explore the grounded reality based on current need for practicing knowledge management, especially in tourism and hospitality industry. This study aims at identifying the various dimensions of knowledge management in tourism and hospitality sectors based on literature survey and offer suggestions for effective knowledge management and its implications in tourism enterprises.
Section 2 of the paper summarizes selected recent literature on knowledge management, and tourism entrepreneurship. Section 3 presents discussion for the study. Conclusions are given in section 4.

**Review of Literature**

For the purpose of accomplishing present work, relevant literature has been critically reviewed in two perspectives i.e. theoretical reviews for the conceptual understanding required for the study, and empirical review for exploring the research gap.

**Tourism Entrepreneurship: a paradigm shift**

Tourism entrepreneurship can be looked at as mixture activities involved in the development, production and trading of products and services that can cater the needs of tourists (Londkipanidze, 2002). Tourism entrepreneurship refers to the process of engaging in production and trading of products and services aiming at catering the needs of tourists, with a view to economic growth of a nation as Nako (2011) argued that entrepreneurship plays a pivotal part in the success of economic growth and profitability. Nonaka (1991) indicated that Japanese companies in automotive and electronics were successful because of the effective management of knowledge. They established companies that worked together creating new forms of tacit and explicit knowledge by gathering, combining and transforming the already existing tacit and explicit knowledge into operations. The era of the emergence of intensive knowledge is constantly changing on creating value in contemporary organizations (Carlisle, 2002), along with the long-term viability and prosperity of an organization increasingly depends on the ability of leveraging the hidden value of its individual intelligence. Thus, knowledge poses as a means of improving company’s ability with strategic attribute. Knowledge management plays an important part in tourism, as well (Cooper, 2018), because keen competitiveness in the global economy underscores the importance of knowledge management as a basis of competition (Daud & Yusuf, 2008). However, tourism has been slow in adopting this approach, so it is important to practice knowledge management to facilitate the absorption of new knowledge, for knowledge acquisition and learning (Stamboulis & Skayannis, 2003; Pletsch & Zonnato, 2016).

Most entrepreneurial activities in tourism are related to several sectors like small family enterprises, hotels, bed & breakfasts, or chalets, with agricultural farms and different handicraft shops (Dhakal, 2005). No matter which field of perspective is applied, the success of any organization depends upon strategic management of knowledge, knowingly or unknowingly. Joe et al. (2013) argued that organizations need to acknowledge tacit knowledge that the older workers possess and identify what specific knowledge is being misplaced or is in risk of being lost in the forthcoming years. There are different types of knowledge, which result in different processes of capturing and sharing knowledge (Davenport & Prusak, 1998) and the capability of organization to process knowledge effectively reduces the impact posed by environmental uncertainty and leads to the organizational efficiency (Bamel & Bamel, 2018). Nepal is developing tourism service sectors and, in this context, to examine the factors that contribute to its development through regulatory, institutional and various trade policy
reforms, and to identify the aspirations for service sectors are crucial for further future development with particular attention given to support the tourism industries (UN, 2011).

Knowledge Management in Tourism Entrepreneurship

Knowledge management is the mechanism to create, gather, exchange the created knowledge, and finally use it for strategic planning and decision making. Daud & Yusuf (2008) defined knowledge management as the processes that assist in an organization in acquiring, storing, and utilizing knowledge that can be used for problem solving, dynamic learning, strategic planning, and decision-making. As a result of the growing knowledge management awareness and its importance, knowledge produced in both academia and corporate levels in the past decades helps an organization in designing innovative need-specific adjustments (Bamel & Bamel 2018; Gavaria-Marin et al., 2018). Knowledge has become the factor of competitive advantage in today’s contemporary organization as higher level of knowledge management leads to higher level of organizational performance (Daud & Yusuf, 2008). Knowledge management has attracted the interest of practitioners, consultants and researchers around the world and knowledge management has developed, over the last decade, as one of the emerging management concepts, especially in the tourism and hospitality industry (Massingham 2014; Hallin & Marnburg 2007).

The study of Bamel & Bamel (2018) depicted social and information technology resources could enhance the strategic flexibility and act as a mechanism between the firm resources and strategic flexibility and further showed that leadership skills are important factors for practicing knowledge management in organizations. In the same context, Nepal has not been subsequently following knowledge management mechanism, but gradually, Nepalese private firms like banks are starting to use resources more efficiently as found by Chaudhary (2012). Also, the use of mobile phones and internet, a medium of information and communication technology, has been increasing in Nepal (Devkota and Phuyal, 2018). Similarly, the study suggests that Nepalese industrial sectors, more importantly tourism and hospitality sectors are emerging and face fierce competitions and strive for modernization of business activities. They focus on the use of their resources.

Theories on Knowledge Management

In the study, various theories related to several dimensions of knowledge management such as SECI model, conceptual model, five-phased model, and MeCTIP model are reviewed. Every model defines the ways of identifying and generating various kinds of knowledge. It is important for organizations to point out how the knowledge is created and transferred for learning process, so that knowledge is stored, documented and made visible for future reference. These modes of knowledge flow represent the flow of knowledge in different dimensions of explicitness. The SECI model that stands for socialization, externalization, combination, and internalization states that there are four major ways of identifying knowledge based on the combination of tacit and explicit knowledge. SECI explains the knowledge creation process (Saito et al. 2007). Similarly, the conceptual model states that there are two different
forms of knowledge that leads to knowledge creation process; tacit and explicit, which are the two dimensions of knowledge types (Alamäki, 2018). Likewise, five-phase model encompasses sharing tacit knowledge, creating concepts, justifying concepts, building an archetype and cross-leveling of the knowledge (Heikkinen, 2018) whereas MeCTIP model impacts on the mapping of knowledge based activities to develop knowledge (Mofett et al., 2003).

**Sustainable Tourism Development through Knowledge Management**

The superior adoption of sustainability challenge posed by global corporate environment would significantly lead to the holistic approach with inter-connected mechanism of knowledge-based activities (Mulej & Potocan, 2007; Ny et al., 2013). Therefore, over the last few decades, the idea of sustainable tourism has been developed to reduce the negative impacts of tourism activities and to enhance positive impacts on the environment, society and culture. Sustainable tourism is all about saving the nature with tourism development, as well as related with long-term economic development and social equity (Swarbrooke & Horner, 2007). The knowledge based economy can also impact negatively on the economy as Von Osten (2004) highlights the highly controlled access to knowledge and information as intellectual capital is actually leading to transformation of new global power differences. Thus, Roblek et al. (2014) view sustainable development and increased uncertainty in the society and business environment are forcing organizations to impose a constant transformation of knowledge based economy era.

**Empirical Studies on Knowledge Management**

Several reviews suggested that there are several gaps in the knowledge management theory and implementation. Hallin & Marnburg (2007) assessed that the focus of knowledge management shifted towards organizational development, intellectual capital management and competence management around the mid-1990s, whereas the concern has been shifted towards social learning, organizational sense making, innovation and change management around the late 1990s. Knowledge management performance is concerned with the extent to which a firm’s varied resources are effectively leveraged by its initiatives, in alignment with the firm’s mission, vision, and values as examined by Wu & Holsapple (2013).

Similarly, the studies of Gupta & Bhattacharya (2016); Sumbal et al. (2017); & Prieto-Pastor et al. (2018) see that the individual explicit knowledge is education, which helps in understanding various business processes because lost human capital decreases organizational output and productivity, and each newer human encounter rigorously creates and develops knowledge.
Table 2: South Asian Review on Theories on Knowledge Management

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Conceptual Framework

The future visualizes the new communications and interactive knowledge sharing tools, and these tools are quickly becoming global values and will provide further thrust to knowledge management efforts. ICIMOD seeks to keep abreast of these global innovations while remaining relevant to the socio-cultural context of the region (ICIMOD, 2018). United Nation World Trade Organization (UNWTO)determined that tourism is a major source of foreign exchange earnings in most of the world’s least developed countries. (UNWTO, 2007; Simpson, 2007; Ramasamy & Swamy. 2012).

The common assumption on knowledge management in tourism sector is that increase in knowledge management practice by tourism entrepreneurs can help enhance the tourism through its growth and innovation (Lekan et al. 2015). Similarly, the development and promotion of tourism and hospitality industry has been widely accepted as positive economic
step, more especially in least developed countries and these developments will uplift households for entering into tourism sector thus raising their standard of living, thereby having the potentiality of lifting the community people out of poverty line through employment and entrepreneurship (Ramasamy & Swamy, 2012). Knowledge management is supposed to be one of the fundamental aspects of business organization (Lai & Lin, 2012).

Figure 2: Knowledge Creation Process in Tourism Enterprises

The development of the tourism industry has been widely accepted as a positive economic step as organization-specific knowledge helps an organization in designing need-specific innovations and adjustments, especially in less developed countries (Bamel & Bamel, 2018). Thus, in order to understand the relationship of information flows in hospitality and tourism, it is important to consider the nature and role of knowledge sharing practices in the tourism and hospitality context (Idrees, et al., 2018).

The following conceptual framework explains the relationship between attitudes for additional tourism development with perceived positive tourism impacts, personal benefits from tourism development, perceived negative tourism impacts, and overall community satisfaction.
The five stages of knowledge creation process depict the visible emergence of the organization’s knowledge network. The first phase is enlarging the individual knowledge on tourism industry. This refers to harnessing the tacit knowledge which are resided in the individuals and sharing the knowledge. After socializing the knowledge that is generated, the second phase is sharing the generated knowledge, using verbal medium to transform and share the tacit knowledge through words and phrases. After, externalizing the concepts, organizations need to continuously refine and develop the knowledge by justifying them. Then the fourth phase, is justifying the knowledge by using it according to the need. Finally, the fifth stage is building an archetype, to develop a prototype; this phase is close to the combination. Then, the created knowledge is again reorganized through mutually inducing process of encompassing though frequent interactions between organizational visions and those concepts which are newly created. Similarly, this process is never ending and denotes a circular process. Thus, mobilization of tacit knowledge of customers and market will be reflected back to organizations, and new process of knowledge creation is initiated again. So, by creating, organizing and developing knowledge from the process or creating knowledge, it helps to refine the knowledge of individuals by indulging in day to day activities and making it explicit by codifying/documenting the knowledge properly or simply, making it visible. There are still further gaps that will still remain whether this would isolate and demote organizations that are not digitized (Badarwy & Hussein, 2015). Hence, detail studies in the subject area fulfill this gap especially in the context of Nepalese tourism entrepreneurs.

**Discussions**

This paper has observed that there is a paradigm shift in tourism enterprises. Hallin & Marnburg (2007) inform that the strategists of hospitality industries are unaware of strategic benefits that knowledge management holds and further argued that further research of knowledge management in hospitality sector should offer practical learning dimensions to explain the knowledge means for changing paradigm of business to induce for managing knowledge in tourism and hospitality sectors. Knowledge management is key aspect to the development of tourism entrepreneurship. Musulin et al. (2011) illustrated that for the effective practice of tourism and hospitality management, tacit knowledge is more important than explicit, however, the identification and its transfer are found to be challenging. In the context of Nepal, tourism sector is often reluctant in adopting this approach. Therefore, it is important to practice knowledge management to facilitate the absorption of new knowledge, for acquisition of knowledge and learning (Stamboulis & Skayannis, 2003; Pletsch & Zonnato, 2016). Reviewing the major theories of knowledge management such as SECI model, conceptual model, five-phased model, MeCTIP model critically, this paper has established that creative ways of knowledge management is crucial for the development of an organization. Similarly, these models also identify the knowledge and its organization and rigorous development as well. These models also help to set the criteria for justification like, whether the knowledge is right, feasible, and relevant for the organization or not. The superior adoption of sustainability challenge posed by global corporate environment would significantly lead the holistic
approach with inter-connected mechanism of knowledge-based activities (Mulej & Potocan, 2007; Ny et al., 2013). Thus, Roblek et al. (2014) views that sustainable development and increased uncertainty in the society and business environment are forcing organizations to impose a constant transformation of knowledge based economy era.

**Conclusion**

Knowledge management in tourism and hospitality industries of Nepal is an under researched area. This area has not been able to attract the attention of serious scholars. Knowledge management even in banking sectors is not well represented in research. Available research in banking sectors highlighted significant loopholes between knowledge management theory and its implementation and, therefore, it is vital to understand how the knowledge management dimension works in order to gain the competitive advantage. The reviewed literature shows that further research is required to explore personalization and codification strategies, knowledge management in small and medium enterprises and its importance in strategic decision making to improve knowledge work performance. Since, 2020, is committed to tourism industry of Nepal, so managing knowledge in the field of tourism and hospitality industry will carry significant importance as most of the people are not aware of knowledge management practice.

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**Conflict of Interest**

No conflict of interest existed while preparing this paper.

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