

Knowledge Management: A Hidden Aspect in Hospitality Industry

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Abstract – Nowadays, the commercial scenery is altering rapidly and the competitive atmosphere is no longer anticipated. Existence and success rely completely on the establishment's capability to fine-tune to the dynamics of the business environment by building effective decision-making and right application of abilities and knowledge of workforces. These are current advances that denote the gratitude of knowledge as a crucial competitive apparatus for the hospitality and leisure industry sector because need to upgrade their client service to a much higher plane in order to continue in this competitive milieu. Tourism, as one of the world's chief financial sectors will eventually be obligatory to adjust to these changes. But, hospitality and tourism industry has been sluggish in implementing KM approach. Therefore, recommendation if hospitality and tourism sector as an activity-based service sector that information and knowledge are essential want to stay competitive in this dynamic period, the adoption of a knowledge management methodology will be prerequisite. This paper presents an outline of the relatively different notion of knowledge management and the problems in implementing such an approach to a sector such as hospitality and tourism.

Keywords: Knowledge, Knowledge Management, Hospitality and Tourism

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INTRODUCTION

Knowledge Management has made significant growth over the past forty years. Though Knowledge Management has been always existent in organisations ever since their birth, the paramount improvements in Knowledge Management as an academic and practical discipline seem to have happened in the late twentieth century and the initial part of the new millennium. Quality Management gain popularity in the 1980s and, as a result, Knowledge Management started to gain relative prominence as it was seen as a way of accumulating data and information to achieve probable insights into the way in which businesses could expand their assistances of goods and services to patrons. This concept is exemplified by the introduction of the international standards ISO 9000 series.

The study and exercise of knowledge management (KM) to have grown-up fast in most industries, with the exception of the tourism and hospitality sector (Bouncken, 2002; Cooper, 2006; Grizelj, 2003; Hjalager, 2002; Ruhanen & Cooper, 2004; Yun, 2004). This state is claimed to exist although the industry is emerging into a highly knowledge-based industry as a result of recent progresses in information processing that allow for an wide use of knowledge transmission, knowledge reuse, storage and fabrication of knowledge (Pyo, Uysal, & Chang, 2002). Considering the deep industry-wide rivalry where clients persistently mandate the best deals, for organisation and workforces in the

hotel industry it becomes a question of comprehensive knowledge and considerate of all elements of the business, as well as how it should constantly change in accord with social changes and changes in patrons' preferences. The question may, therefore, be what kind of knowledge should be imparted and focused on with the aim of setting the establishment apart from its rivals (Ruhanen & Cooper, 2004).

The generation and use of innovative knowledge to feed novelty and merchandise development is crucial for the competitiveness of both tourism destinations and establishments. Whereas the fundamental role of knowledge as a competitive instrument has long been renowned, the rise of knowledge management as an academic field is much more new, dating from the 80s. As a competitive tool, the prerequisites of the process include recognising significant knowledge and capturing it, shifting and sharing it, and ensuring that establishments are engineered to boost flows and to accomplish them efficiently. This need an open decentralized atmosphere where individuals are authorised to view knowledge as a resource to be shared and not stocked. The knowledge of the personnel who are capable when applying it produces new ideas is vital for gaining modest benefit for the enterprise. Knowledge management plays an imperative part in tourism, as well (Cooper, 2006). However, tourism has been sluggish in accepting this approach (Stamboulis & Skayannis, 2003). The

objective of knowledge management is to increase organizational competences and the efficiency of the execution of the organizational strategy while constantly using knowledge as a resource. The simple methodology of knowledge management is to capture documents, personal experience and all other categories of information and to offer it in a way that is useful to reach the aims of the organization (Lawton, 2001: 11).

Information has been increasingly renowned as the utmost imperative and cherished asset in organizations and as a crucial differentiating factor in industry. Many examiners have appealed that, knowledge asset has an empowering role to play in the construction of successful tactics and achieving the organizational complete objectives (Snyman and Kruger, 2004; Maier and Remus, 2002). Knowledge Management (KM) term primary presented by Karl Wiig in 1986, suggest that the base of Knowledge Management is comprised of the way knowledge is created, used in problem resolving and decision making, and established cognitively as well as in culture, technology, and procedures (Wiig, 1995). Davenport & Prusak (2000) describe that KM is "managing the establishment's knowledge through a logical and organized specified process for obtaining, consolidating, sustaining, applying, sharing and renewing both the tacit and unambiguous knowledge of workers to improve organizational performance and create value". Beckman (1997) claimed that knowledge management concerns the formalization of and access to experience, knowledge, and proficiency that create new skills, assist superior performance, inspire innovation, and enrich customer value.

NEED OF THE STUDY

Knowledge management (KM) approach has arose over the last few years to become one of the utmost discussed management concepts, but in the hospitality industry KM has not attained the equal scale of applications and pragmatic research as in other fields. But, hospitality and tourism industry has been sluggish in accepting KM approach. This paper presents an outline of the relatively new concept of knowledge management and the concerns in applying such a methodology to a sector such as hospitality and tourism.

LITERATURE REVIEW

The KM literature distinguishes between several forms of knowledge with different implications for tactical decision-making (Styhre, 2004). To Baumard (1999), knowledge is the entity of a continuum that spreads from interpreted information such as a simple penciled diagram, to the non-representable such as instincts and premonitions. Another differentiation of knowledge instigates from Polanyi (1958), who distinguishes between explicit and implicit knowledge. While explicit knowledge is open knowledge in the form of statement and can be codified in documents, books, databases

and reports, tacit knowledge refers to all intellectual capital or physical competences and skills that the individual cannot fully express, denote or codify. Tacit knowledge is thus hard to measure and represent, but is defined as a crucial asset for individual, group and administrative performance (Styhre, 2004). Baumard (1999) and Lam (2000) also admit that besides the practices and procedures that people learn, some human activities cannot be entirely described and these are characterized by the fluid and vague in knowledge indicated as 'the tacit component. In the hotel business, only a minor number of hotels have executed KM systems, although they are expected to gain paybacks from KM due to chain necessities of a global quality standard of their geographically dispersed hotels (Bouncken, 2002; Medlik, 1990). Prevailing efforts in KM practices are mostly witnessed within hotel chains, which have to convey a global service quality standard. For example, a case study of anecdotal character conducted by Bouncken (2002) of the Accor Hotel Group with 3500 hotels globally, 130000 workers and which possesses brands like Formula One, Ibis, Novotel and Sofitel, exposed that the firm is developing KM-based tactics and is involved in KM activities. The Accor Corporation in Germany (with 6000 employees) has executed a KM system based on three components: (a) IT-based knowledge addition; (b) access to the IT-based knowledge system; and (c) stimulus for knowledge use and formation.

The knowledge of the workforces who are able when using it breeds new ideas is essential for gaining competitive advantage for the enterprise. Knowledge management plays an imperative role in tourism, as well (Cooper, 2006). However, tourism has been gentle in implementing this approach (Stamboulis & Skayannis, 2003). The causes for this delay include.

- The poor association among the industry and the academic research (Stamboulis & Skayannis, 2003). Unlike some primary industries, in hospitality and tourism, the relations between businesses and researchers are neither close nor dignified. Faulkner, Pearce and Shaw (1994) note that shifting knowledge to hospitality and tourism is one of the most perplexing issues for researchers.
- The hostile-adoption atmosphere (Cooper, 2006). This is especially characteristic of vocational businesses and small trades, since the execution of KM demands a large volume of time and money.
- No strong applicability for hospitality and tourism service and inter-organizational viewpoints (Grizelj, 2003). Since the concepts of KM are established mostly from a manufactured and multinational perspective (Nonaka & Takeuchi, 1995), it has failed to take several aspects of hospitality and

tourism services into account. Grizelj (2003) points out that KM concept do not bring up the hospitality and tourism issues based on networks and lack an inter-organizational perspective.

The literature furthermore exposes the common division taken on how Knowledge Management is approached and assumed in both academic and non-academic circles. This difference spins around the way that knowledge is understood and circulated, and is considered as either the humanist or the information model of Knowledge Management. The literature agrees that those who rely on knowledge is the result of sharing largely tacit forms of information and data among individuals, groups and establishment could be loosely categorised as those with a humanist approach (Gloet & Berrell, 2003). When bearing in mind the different approaches to KM and development in hospitality establishments, two dimensions appear to be important: (1) whether knowledge is observed as static or dynamic; and (2) how essential it is for management to make the knowledge explicit and calculable and be able to regulate it. When a static vision of knowledge is engaged, one can define what knowledge is or should lead to, based on experience. A vibrant view denotes that knowledge is continuously altering (Stacey, 2001) and has a potential to develop novel ideas that could be of commercial value for the company. In other words: a static view will serve the need to operate known routines, and a dynamic view will serve the need to continuously develop routines.

CONCLUSION

The criticism, assessment and discussion of printed first-hand research within KM in the arena of hospitality have exposed some robust signals of potentials and complications for the hospitality industry and hospitality companies. For hospitality firms, KM is exclusively relevant for building up competitive benefit. The segment is becoming knowledge-intensive as an outcome of exhaustive use of technology and the nature of the amenities, which is based on interface between hospitality employees and guests/clients. Subsequently, patron's perceptions of service standard are reliant on hospitality employees' skills of how to meet customer needs. Hence, hotels are expected to gain paybacks from KM activities stressing knowledge shifting, which can increase employee's knowledge of unique guests'/customer's needs. KM is specific applicable for hotel chains in terms of their obligation for uniformity in quality standards of their globally dispersed hotels. In addition, hospitality establishments can benefit from KM activities and systems in respect to development of knowledge networks amid clusters of tourism enterprises. Though, the industry is sluggish when it comes to existing efforts in KM practices.

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