

The Influence Of Knowledge Management Drivers On The Organizational Performance Of Hospitality Organizations

Joseph Musyoki

Rongo University, Department of Human Resource,
Tourism and Hospitality Management, Rongo, Kenya

Abstract: Drivers provide energy and stimulus for the knowledge managers and employees to act. The purpose of this study was to investigate the effects of knowledge management drivers on organizational performance in selected hotels in Nairobi. The purpose of the study was to find out the effect of knowledge management drivers on organizational performance of hospitality establishments. The objectives for the study were; to find out the extent to which personal drivers and organizational drivers influence organizational performance of hospitality organizations in the hospitality industry. The study was guided by systems input-output theory. The study employed both descriptive and explanatory research designs. The population for the study was 756 employees from three selected hotels, and a sample of 254 was drawn for the study. Purposive, proportionate, stratified and systematic random sampling methods were used for the study to realize the objective of the study. Purposive sampling was used to select the hotels in Nairobi city. Proportionate sampling was used to determine the number of respondents to participate in the study from each of the hotels selected. Employees selected in each hotel were stratified based on their departments of operation. Systematic random sampling served to identify the actual participants in the study. The instrument for data collection was questionnaire. The content validity of the instrument was tested using a pilot testing. Data was obtained from primary and secondary sources for the study. The Cronbach's alpha was at the level of 0.934. The analysis of data used both descriptive and inferential statistics methods. From the Multiple regression analysis, knowledge management drivers do not significantly affect organizational performance. The conclusions that the researcher drew from the study were; knowledge management drivers do not affect organizational performance. The recommendation from the study was that hotel organizations should ensure that the personnel is well equipped to cope with the challenges of performance in their organizations.

Keywords: Knowledge management drivers, Organizational performance

I. INTRODUCTION

Differences in business emphasis are driven by many factors, which among them include: a progressively refined and demanding market place, deeper perceptions into business roles, and greater understanding of knowledge-intensive work and how people think, learn, and use knowledge, that is; cognitive sciences (Brown and Duguid, 2000; Damasio, 1994 and 1999; Halpern, 1989; Klein, 1998; Nonaka and Takeuchi, 1995; Schön, 1983; Wiig, 1994). Gradually, managers start to focus on managing knowledge deliberately and systematically. Knowledge Management (KM) has emerged to form and leverage Intellectual Capital (IC) into the business comparison

and the organizational management (Allee, 1998; Böhme and Stehr, 1986; Reich, 1991; Wiig, 1994 and 1997).

Drivers provide energy and stimulus for the knowledge managers and employees to act. The knowledge perspective makes it feasible to shift the focus to elements that determine the effectiveness of "what" the actions should be, that is; what should be implemented (Wiig, 2000). Cliff & Nancy (2002), observes that the management focus of knowledge as the process is on people and how they communicate rather than on information and how it is handled. People are more complex and more difficult to manage than information, so it is easy to understand why most organizations have spent more money, time, and resources on developing their capabilities for

information handling than on developing those for interpersonal collaboration. People may be natural knowledge sharers, but within organizations, there are competing motivations between loyalty to the organization, loyalty to the team, and loyalty to one's career.

King (1999), states that the core of knowledge management involves the acquisition, explication, and communication of mission-specific professional expertise in a manner that is focused and relevant to an organizational participant who receives the communication. Knowledge management (KM) contributes to effective operations and establishes competitive advantages over competitors in the hospitality and tourism industry. When the proven knowledge during the field operations is re-used, knowledge developed during various formal and informal procedures can be incorporated in operations (Pyo, Uysal and Chang, 2002).

Knowledge is ready for use because of knowledge management. It is a radical change from the traditional practice that searched and developed knowledge after recognizing its need. Knowledge management provides knowledge in hand in advance, in anticipation of the knowledge use (Pyo, Uysal and Chang, 2002). When the knowledge is in hand, the speed of operations improves greatly by eliminating knowledge searching time. When the knowledge is based on internal team cooperation, copying the competitive advantage by the competitors can be very difficult.

In his view, Watson, (2003) opines that the function of knowledge management is to allow an organization to control the information resources and knowledge possessions by remembering and applying experience. He further notes that knowledge management is currently being perceived as the basis of future economic competitiveness. For instance, in the information age knowledge, rather than physical assets or resources are crucial for competitiveness. The important thing about attitudes to knowledge today is the recognition of the need to capture, manage and utilize it like any other asset.

When the Kenya Vision 2030 was launched, it articulated the country's strategic intent by painting a future scenario characterized by prosperity and continual growth. The kind of socio-economic prosperity envisaged was premised on various crucial suppositions, dominant being the gradual changes towards an economy that is based on knowledge. Broadly, a knowledge-based economy is one which is exemplified by the rampant creation, diffusion and use of knowledge. The extent of realizing this is generally based on the application of science, research, and technology, and also on the policies, the institutions, and systems a country has, to boost productivity and competitiveness as they eventually influence the overall business climate. (Omar, 2012)

Technology and innovation are the foundations of modern and knowledge-reliant economic activities. Proposing policies to establish a national innovation mechanism that implies the exchange of information or knowledge among universities, government institutions, and private enterprises is the key avenue to enhance a culture of continuous innovation. Kenyan organizations share skills, utilities, knowledge, and other services; initiation of small and start-up businesses; innovation centres; and manufacturing firms that relies on high-level technologies creating an environment that helps grow a

critical mass of companies as well as individual entrepreneurs who will help spur economic growth. These people and enterprises will engage in distinct yet mutually reinforcing activities and processes. (Omar, 2012)

Omar, (2012) further suggests that Research and Development (R&D) cannot be overstated. Its goal is two-fold: to have a strong and effective management of assets such as patents and intellectual property rights; and, to encourage industry-related and applicable research outputs in order to inform the different levels of the country's development. A solid human capital base is a pre-cursor for industrialization and development. Undeniably, human capital development is an enduring theme in any discussion about a knowledge-based economy. The acquisition and management of knowledge, expertise and skills is a vital component of the Vision 2030. Economic development is a results from the extent to which the entire business climate is competitive with the comparison to the immediate competitors. Some components of the business environment include the fundamentals of the economy that need to be sound include; ICT infrastructure; infrastructure networks, accelerated registration and licencing of new business enterprises and the production and transmission of energy, for there can be no industrialization without guaranteed and affordable energy supply. This will require a hefty investment in the management of knowledge in these organization.

Vision 2030 initiatives such as the energy projects, construction and expansion of roads are steps in the right direction towards knowledge dependency. Some interventions, for instance, special economic zones with their quick approval of business licenses incentives and SME parks to be initiated in the counties would help the enterprises. The resolve to move Kenya towards the league of a society that is knowledge based requires a robust knowledge based financial and human resource system that is not only able to mobile resources and make start-up capital available to the entrepreneurs, but can also initiate development projects in a way that makes them eye-catching to potential investors. Vision 2030 projects that served as prime examples of such initiatives were Konza Technology City and the Special Economic Zones. As a result, key projects that were recognised as necessary in improving the skills base in the country include the training of technicians, engineers, and various ICT specialists.

STATEMENT OF THE PROBLEM

The world keeps on changing. Organizations are exposed to a rapid succession of changes influenced by technology, science, and politics. Customers are becoming increasingly demanding when it comes to flexibility, speed and quality. Old rules disappear and new ones come into force. It's not easy to keep up with all the developments, let alone to take the lead (Spek and André, 2005). Many organizations are obliged to make changes in the way they operate their business to keep up with changing Markets, and increasing international competition. Terms such as Business Process Re-engineering (BPR), process rationalization, Total Quality Management (TQM) and 'the learning organization' have become commonplace. More and more frequently, people are concluding that it is the optimal generation and application of

knowledge that is the key to success. Organizations have to fit in to a constantly changing environment and they need knowledge that can be rapidly accessed and applied to enable the organization cope with the demands of the dynamic business environment. This must be facilitated by the factors that enhance the practice of sharing of knowledge within an organization.

Ricarda, (2002) comments that hotels require staffs that are able to cope with different guests and their comfortably handle their preferences. Quality difficulties arise when the staff do not fully comprehend the results of guest's preferences and service interactions. Subsequently, improving the corresponding service procedures and employees' familiarity about customer's needs is becoming increasingly important in hotels as it requires the reclamation and consumption of other hotel personnel's' experiences that may suffer from: a high rate rotating employees between hotels forcing to build up new team knowledge; a high percentage of unskilled workers or low status employees and a high rate of employee turnover bearing risk of knowledge loss; (Keiser, 1989) This raises the need to come up with, knowledge, standards and fostering of learning, irregular and seasonal demand management strategies in order to handle the changing customer preferences confronting a stable capacity (Keiser. 1989).

Hospitality organizations must have a knowledge management infrastructure in place that helps them deliver satisfactory service to the customers, so that they secure repeat business for the establishment. With the infrastructure, some factors enable the employees and managers of the establishments to utilize it effectively in order to reap the benefits of a performing organization. The hotel managers may not understand some of these factors and the key roles they play within an organization. For instance, the managers of hotels may be interested in capturing the knowledge possessed by some of its employees. They may not do this well so as to preserve the knowledge for future needs in case the current employee left the organization. However, when they act in the light of the factors that facilitate the performance within the hotel, they might improve the performance and be in a position to grow. Thus, this study sought to find out the extent to which the knowledge management factors facilitate performance in the hospitality establishments.

OBJECTIVES

- ✓ To find out the extent to which personal knowledge management drivers affect organizational performance
- ✓ To investigate the extent to which organizational knowledge management drivers affect organizational performance

II. LITERATURE REVIEW

ORGANISATIONAL PERFORMANCE

Verweire & Lutgart (2004) asserts that the business world is changing at an ever-increasing pace. The globalization of markets, the revolution in information and communication

technologies, the increasing importance (and volatility) of financial markets, and the war for talent are only a few of the change drivers in our current business climate. In this ever-changing world, today's managers are confronted with a number of daunting challenges in their quest for creating value. Business is becoming more and more complex. Newly trained and empowered employees have implemented many innovative practices, including continuous improvement, empowerment, Activity-Based Costing, re-engineering and quality management.

Verweire & Lutgart (2004) further observes that Companies are looking for new forms of relationships with customers, suppliers, employees and other stakeholders. Intangible assets have become the major source of competitive advantage. As a reaction, companies have been changing their operating assumptions to include the development of closer value chain relationships, customization of products and services, reliance on knowledge workers, and an intense focus on innovation. At the same time, companies have been downsizing, de-layering and outsourcing strategically non-relevant activities. And all these new trends are occurring against a background of intensified competition.

PERFORMANCE MEASUREMENT

Performance of an organization has traditionally been measured by looking at the revenues or the profit made at the end of the year, or using key financial ratios. Venkatraman and Ramanujam (1986) reviewed ten different types of measurement and generalized the results into three dimensions: financial performance, business performance, and organization effectiveness. Ryan and Trahan (1999) used three key dimensions of performance, profit margin, total assets turnover, and equity multiplier. Hoque and James (2000) used a similar technique in asking managers to indicate by self-rating their organizations performance on several financial indicators.

In particular, it has been suggested that the hotel industry appears to concentrate on financial measures (Brander-Brown and McDonnell, 1995). The work of Harris and Mongiello (2001) suggests that financial measures are prominent, but not dominant, in a hotel general managers' decision-making. According to Beatham et al. (2004), businesses measure their performance in financial terms, profit, and turnover. Financial measures and accounting measures are the traditional means of performance measurement. Nevertheless, these measures alone are no longer relevant for today's managers. To remain competitive, firms now need to consider non-financial or operational results as measured by competitiveness. The financial measures used in the current study included profitability, turnover, sales, and liquidity ratios.

NONFINANCIAL PERFORMANCE INDICATORS

Russ, (2010) further observes that new economies are evolving and therefore, knowledge is considered a substantial and crucial component of business strategy. Thus, the ability to manage knowledge is rapidly becoming a significant skill for securing and maintaining organizational success and surviving in the new knowledge economy. The major concern

is how the companies succeed in managing the knowledge in their organization so that it benefits the organization through enabling it to meet its objectives. The basic idea is that different companies manage their knowledge in different ways, the same way they differently manage their employees, financial capital, and other assets. Companies use different strategies to manage those assets: they diversify, they penetrate, and/or they develop new products. Knowledge management (KM) requires obtaining skills that will allow management to develop knowledge-based strategies.

In the new economy, value is shifting to service-related and knowledge intensive industries. Sectors of the economy for instance; health, education, finance, information systems, media and telecommunications have been growing strongly over a decade (Skyrme, 1999). The foundation of industrialized economies has shifted from natural resources to intellectual assets and executives are compelled to examine the knowledge underlying their businesses and how that knowledge is used (Hansen et al, 1999).

Knowledge in organizations is a fundamental basis for competition, in terms of vital strategy and competitive resources (Ipe, 2003, Storey, 2005). It is a crucial factor, which organizations embrace to create and maintain organizational competitive advantage (Beckman, 1999, Chuang, 2004). Knowledge enables organizations to gain and maintain competitive advantage (Argote and Ingram, 2000, Argote et al., 2000, Chou et al., 2005, Davenport and Prusak, 2000, Nonaka, 1998, Sabrina and Matthew, 2005). Therefore, in gaining competitive advantage, organizations should be able to use the best of their knowledge to differentiate company performance in terms of profit-making (Freeman, 2001).

KNOWLEDGE MANAGEMENT DRIVERS AND ORGANIZATIONAL PERFORMANCE

In order to be successful in today's challenging organizational environment, companies need to learn from their past errors and not reinvent the wheel again and again. Organizational knowledge is not intended to replace individual knowledge but to complement it by making it stronger, more coherent, and more broadly applicative. Knowledge management represents a deliberate and systematic approach to ensure the full utilization of the organization's knowledge base, coupled with the potential of individual skills, competencies, thoughts, innovations, and ideas to create a more efficient and effective organization (Dalkir, 2005).

New knowledge incites change, and entrenched rulers (which include many managers of successful companies) tend to avoid adventure, risk, and surprise. Knowledge cannot thrive where its emergence is over controlled. But as Skyrme, (1999) also observes, "Knowledge is increasingly recognized as a crucial organizational resource that gives market leverage. Its management is therefore too important to be left to chance." So there must be a medium between allowing the wild and random exchange of ideas and opinions and prohibiting any crosstalk among people in the work place. This medium can be attained by establishing clear goals and purposes for the exchange and identifying the people who

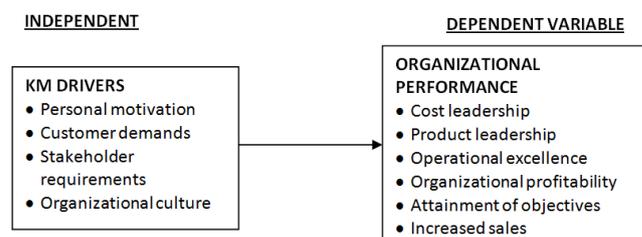
should (and must) be included in the conversation (Cliff & Nancy, 2002).

Ricarda, (2002) comments that hotels require staffs that are able to cope with different guests and their comfortably handle their preferences. Many quality problems occur because the staff may not fully understand the consequences of service interactions and guest's preferences. Consequently, improving employees' knowledge about customer's preferences and the corresponding service procedures is becoming increasingly important in hotels. This requires the retrieval and utilization of other staff members' experiences that suffers from: a high rate of employee turnover bearing risk of knowledge loss; a high rate rotating employees between hotels forcing to build up new team knowledge; a high percentage of unskilled workers or low status employees (Keiser, 1989) This raises the necessity to build up standards, knowledge and foster learning and irregular and seasonal demand and changing customer preferences confronting a stable capacity (Keiser. 1989).

In his views, Bergeron (2003) suggests that knowledge workers bring certain competencies combinations of skills, knowledge, and attitudes to the corporation in exchange for pay, benefits, recognition, a sense of contributing to something greater than themselves, an increased sense of self-worth, the opportunity to work with and learn from others, and, in many knowledge organizations, formal educational opportunities. Within the constraints imposed on hiring and firing practices by unions and the government, companies are free to manage the relationships with their knowledge workers.

Dalkir, (2005) opines that the ability to manage knowledge is becoming increasingly more crucial in today's knowledge economy. The creation and diffusion of knowledge have become ever more important factors in competitiveness. More and more, knowledge is being regarded as a valuable commodity that is embedded in products (especially high-technology products) and in the tacit knowledge of highly mobile employees. Although knowledge is increasingly being viewed as a commodity or an intellectual asset, it possesses some paradoxical characteristics that are radically different from those of other valuable commodities. These knowledge characteristics include the following: Use of knowledge does not consume it, transferral of knowledge does not result in losing it, Knowledge is abundant, but the ability to use it is scarce and much of an organization's valuable knowledge walks out the door at the end of the day. In conclusion, the theoretical relationship between KM drivers and organizational performance is illustrated as in figure 1 below.

CONCEPTUAL FRAMEWORK OF THE STUDY



Source: adopted from Wiig, (2000)

Figure 1: The conceptual framework

III. RESEARCH METHODOLOGY

The study employed an explanatory and descriptive research designs. The designs allowed an in depth inquiry of knowledge management drivers from the study population. The designs further allowed the researcher to use of inferential statistics to establish the significant relationships between the dependent and the independent variables in the presentation of the results of this study through description of data results. The researcher selected one hotel that has been in operations for over twenty years, another that has been operational for fifteen years, and the other that has operated for less than five years. This was done to ensure that the knowledge management factors being investigated cuts across the time to avoid biases. The main target unit for analysis of the study was 756 employees of three selected hotels in Nairobi city. The sample size was statistically obtained from the total population were 254 respondents were obtained for the study. This study employed purposive, proportionate stratified and systematic random sampling procedures. Purposive sampling was used to select three hotels in Nairobi area for this study. Proportionate sampling was used to determine the number of respondents to participate in the research process, while Systematic random sampling was used to select the individuals who gave responses to the research instruments that addressed the study. Primary data was collected by administration of questionnaires to the employees that sought to find out the extent to which personal and organizational drivers, affected the performance of the organisations in the study. Secondary data included libraries, journals, documents, publications and the internet. Reliability was measured using the Cronbach's Alpha at a level of 0.7%. in the opinion of Hair *et al.*, (2005) the generally agreed upon lower limit for Cronbach's Alpha is $\Rightarrow 0.70$ but may decrease to $\Rightarrow 0.60$ in explanatory research and increase up to ≥ 0.80 in studies that require more stringent reliability. A pilot test was conducted to test the content validity of the data collection instruments. A five-star rated hotel was used to conduct the pilot study and it was not part of the hotels selected for the actual study. The data was collected, cleaned, coded into the computer and analysed with the aid of Statistical Package for Social Sciences (SPSS) version 21.0. Descriptive and inferential statistics were used during the analysis. Measures of central tendency were used in the analysis. Multiple regression was done to check the extent to which the independent predict the dependent variable. The regression model was given as:

$$Y_i = \beta_0 + \beta_1 X_1 + \mu$$
 Where,

Y_i = Organisational performance, X_1 = knowledge management drivers β_0 = Constant term, β_1 = Coefficient of the Regression and μ = Error term

IV. DATA ANALYSIS, PRESENTATION AND INTERPRETATION

RESPONSE RATE

From a sample of 254 respondents, 214 questionnaires were satisfactorily filled. The response yielded in the course of the study was 84.25% which is an adequate representation of

the target population. The researcher could attribute this response rate to the simple language used in the formulation of the research instrument and also the literacy of the personnel employed in the establishments where this research was carried out. It could also be attributed to the fact that the employees possess knowledge that is vital to the sustenance of organizations operations and they use this in their daily execution of their tasks hence giving them familiarity with the issued that were addressed in the research instrument.

DESCRIPTIVE STATISTICS

KNOWLEDGE MANAGEMENT DRIVERS

Most of the establishments employ competent personnel. From the findings of the analysis, 65.4% agreed to this fact while only 24.3% remained undecided over this issue. A minority of 10.3% disagreed. On the issue of whether employees' ways of working is determined by the customer demands, 75.7% agreed, 24.8% were neutral while 13.5% disagreed that their ways of working are determined by the customer demands. 72% of the respondents agreed that the management of the hotels give the employees freedom to execute their tasks. 21% of the respondents felt that they were not sure about whether the managers give them freedom to work while 13.5% of the respondents disagreed that the management of the establishments give freedom to the employees to execute their tasks. Employees have the motivation to work and achieve the organizational goals. This was agreed upon by 78% of the respondents, 16.8% were neutral about this indicator and 5.1% of the respondents disagreed that they have the motivation to work and achieve the organizational goals. From the study, a majority of the respondents comprising of 69.2% felt that the managements insist that the employees must achieve the goals set form them by the organization. 20.6% of the respondents remained neutral while 10.3 % were in disagreement with the fact that the management insist that the managers insist that they must achieve the set organizational goals. 68.7 % of the respondents felt that the employees usually achieve the set goals by the managers. 26.6% of the respondents were neutral while 4.7% of the respondents disagreed that the employees usually achieve the goals set by the organizations' managers. Responding to whether the employees work on the basis of the instructions provided by the managers, a cumulative 72.4% of the respondents agreed, 21% were neutral while a cumulative 6.5% disagreed that they work on the basis of their managers instructions. Moreover, most of the hotel organizations facilitate teamwork for their success. This was agreed by a cumulative 81.3% of the respondents. 13.1% remained undecided over this aspect while a cumulative 5.6% disagreed that they organization facilitates teamwork for their success.

From the table 1 below, the knowledge management drivers were strong predictor of organizations performance whose means was between the range of 3.69 and 4.04, while the standard deviation was between the range of 0.795 and 1.043.

	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Statistics	
	f	%	f	%	f	%	f	%	f	%	M	SD
Hotels employ competent personnel	7	3.3	15	7	52	24.3	76	35.5	64	29.9	3.82	1.043
Employees ways of working is determined by the customer demands	5	2.3	24	11.2	53	24.8	83	38.8	49	22.9	3.69	1.021
The management of hotels give employees freedom to execute their tasks	5	2.3	10	4.7	45	21	108	50.5	46	21.5	3.84	0.895
employees have the motivation to work and achieve the organisations goals	2	0.9	9	4.2	36	16.8	101	47.2	66	30.8	4.03	0.855
The managers insist that the employees must achieve the goals set for them by the organisation	3	1.4	19	8.9	44	20.6	98	45.8	50	23.4	3.81	0.942
The employees usually achieve the goals set by the managers	3	1.4	7	3.3	57	26.6	114	53.3	33	15.4	3.78	0.795
The employees work based on the instructions provided by the managers	6	2.8	8	3.7	45	21	109	50.9	46	21.5	3.85	0.898
The hotel organization facilitate teamwork for their success	5	2.3	7	3.3	28	13.1	107	50	67	31.3	4.04	0.887

Source: Research Data, (2013)

Table 1: Measures of knowledge management drivers

ORGANIZATIONAL PERFORMANCE

The researcher also sought to establish the extent to which the organizations perform as a result of knowledge management. The following table indicates the results of the study from the findings of the research. The researcher was interested in determining the extent to which the employees' knowledge helps in reducing the costs of hotel operations. A cumulative 74.7% agreed, 19.2% remained neutral while a cumulative 6.1% disagreed that employees' knowledge helps in reducing the costs of operations of the hotels that participated in the research study. When asked to indicate their agreement on whether new ways of working are developed as a result of knowledge, an overwhelming 77.6% were in agreement, 18.7% were neutral while a cumulative 3.8% disagreed to this fact. On employees learning from their colleagues in the hotel, 82.2% of the respondents were in total agreement, 13.6% were neutral and 4.2% disagreed about the idea. The respondents were also requested to respond regarding the use of knowledge to attain the objectives set by the hotel. 77.1% agreed, 19.2% remained neutral and 3.3% disagreed.

Employees use knowledge to conduct viable business. This was supported by the 76.6% of the respondents who agreed. 19.6% remained neutral while a cumulative 3.7% disagreed. As to whether the profitability of the hotel improves as a result of the knowledge the employees use at

work, a 76.1% majority agreed while a minority of 5.6% disagreed. At the same time 18.2% were not sure whether the profitability of the establishments improves as a result of the knowledge they use during their work.

The researcher also sought to know if the knowledge that the employees gain overtime lead to excellence in their organizational operations. 61.2% of the research participants agreed, 24.3 remained undecided and 13% disagreed that the knowledge they gain overtime lead to excellence in the hotel operations. Knowledge helps employees to commercialize new innovations. This was agreed upon by 58%. 25.2% were not sure if their knowledge help them to commercialize new innovations within the industry, while a cumulative 15.8% disagreed that the knowledge they use in their operations help them to commercialize new innovations in the industry.

Knowledge helps the employees to respond to new market demands. This was agreed upon by 58.9% of the participants in this research. A 26.6% were not sure if the knowledge help them to respond to new market demands. 14.4% disagreed that knowledge helps them to respond to new market demands. As regards whether knowledge helps employees to respond quickly to changes in business demands, 60.3% of the respondents agreed, 12.6% disagreed while 27.1% of the research participants were undecided. Knowledge enables the employees to innovate new products. A 55.2% of the participants consented to this while 14.4% of the participants felt that knowledge does not enable employees to innovate new products. 30.4% of the respondents were not sure if knowledge helps the employees to innovate new products.

45% of the research participants agreed that Knowledge helps the employees to respond to new business opportunities. 31.8% of the respondents were not sure while 22.9% of the respondents disagreed that knowledge helps the employees to respond to new business opportunities. The researcher was interested in establishing if knowledge management help the employees in streamlining the organizational processes. In response to this, 64.5% of the respondents agreed, 29.9% were neutral while 5.6% were not in agreement with the fact that knowledge management helps in streamlining the organizations processes. 77.6% of the respondents agreed that they meet customers' who enjoy the hotel services. 17.8% were not decided while 4.2% disagreed that they meet new customers who enjoy the hotel services. When asked to give their opinion on whether they meet customers who come back for the services they get in the hotel, 79.0% of the participants agreed, 16.8% were neutral while 4.2% disagreed. Finally, the research participants were asked if they derive satisfaction from the work they do with their knowledge. In response to this, a majority of 82.7% agreed that they are satisfied with the work they do, 12.1% were not decided while a minority of 5.1% of the respondents felt that they did not derive satisfaction from the work they do with their knowledge. This is as shown in table 2 below.

	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree		Statistics	
	f	%	f	%	f	%	f	%	f	%	M	SD
Employees' knowledge helps in reducing the costs of hotel operations	4	1.9	9	4.2	41	19.2	69	32.2	91	42.5	4.09	0.974
New ways of working are developed as a result of knowledge	4	1.9	4	1.9	40	18.7	82	38.3	84	39.3	4.11	0.902

Employees learn from their colleagues in the hotel	5	2.3	4	1.9	29	13.6	82	38.3	94	43.9	4.20	0.908
Employees use knowledge to attain the objectives set by the hotel	6	2.8	1	0.5	41	19.2	90	42.1	75	35.0	4.07	0.904
Employees use knowledge to conduct viable business	6	2.8	2	0.9	42	19.6	94	43.9	70	32.7	4.03	0.903
The profitability of the hotel improves when as a result of the knowledge employees use in their work	5	2.3	7	3.3	39	18.2	97	45.3	66	30.8	3.99	0.914
The knowledge employees gain overtime lead to excellence in the hotel operations	8	3.7	20	9.3	52	24.3	76	35.5	55	25.7	3.71	1.072
Knowledge help employees to commercialize new innovations	10	4.7	26	12.1	54	25.2	83	38.8	41	19.2	3.56	1.076
Knowledge help employees to respond to new market demands	11	5.1	20	9.3	57	26.6	85	39.7	41	19.2	3.58	1.061
Knowledge help employees to respond quickly to changes in business demands	11	5.1	16	7.5	58	27.1	88	41.1	41	19.2	3.62	1.040
Knowledge enable employees to innovate new products	8	3.7	23	10.7	65	30.4	90	42.1	28	13.1	3.50	0.977
Knowledge helps employees to respond to new business opportunities	6	2.8	43	20.1	68	31.8	67	31.3	30	14.0	3.34	1.039
Knowledge management help employees in streamlining the organizational processes	6	2.8	6	2.8	64	29.9	86	40.2	52	24.3	3.80	0.934
Employees meet new customers who enjoy the hotel services	7	3.3	2	0.9	38	17.8	93	43.5	73	34.1	4.05	0.925
Employees meet customers who come back for the services they get in the hotel	7	3.3	2	0.9	36	16.8	89	41.6	80	37.4	4.09	0.933
Employees derive satisfaction from the work they do using their knowledge	8	3.7	3	1.4	26	12.1	65	30.4	112	52.3	4.26	0.987

Source: Research Data, (2013)

Table 2: Measures of organizational performance

V. REGRESSION ANALYSIS

The purpose of inferential statistics is to draw conclusions about a whole population on the basis of information that has been collected on a sample (Rachad, 2003). Inferential statistics are used in generalizing from a sample to a wider population, and in testing hypotheses, i.e. deciding whether the data is consistent with the research prediction. It involves estimating the characteristics of a population from the data obtained from a sample of that population. In this study, organizational performance was the dependent variable (Y) while the independent variable was KM drivers (X1). The researcher subjected the data to a regression analysis of Y (organizational performance) against X1 (KM drivers), and obtained the following model: $\hat{Y}_i = \beta_0 + \beta_1 X_1 + \mu$ Where, \hat{Y}_i = Organisational performance, X_1 = knowledge management drivers, β_0 = Constant term, β_1 = Coefficient of the Regression and μ = Error term. The beta (β) value coefficient for the model indicates the level of contribution of the individual variable to model. The beta values indicate the extent the values of the dependent variable changes when the independent variable was to increase by a factor of one when the other variables were held at a constant.

From the results of the analysis, the following regression model was obtained: $\hat{Y}_i = 1.461 + 0.077X_1 + \mu$

The research data was subjected to multiple linear regression and from the results of the analysis. Multiple regression analysis allows the researcher to know the extent to which the independent variables in the study predict their influence on the dependent variable in the study. The dependent variable was organizational performance while the independent variables were knowledge management drivers, mechanisms, enablers and facilitators. This study yielded an R-value of 0.584 and an R Square value of 0.341. This meant that organizational performance was explained by 34.1% of knowledge management drivers, facilitators, mechanisms and enablers. At the same time, the data yield a Durbin-Watson value of 1.569. This means that there is correlation amongst the variables that were brought out in the study as illustrated in table 3 below.

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.584 ^a	.341	.329	.53215	.341	27.066	4	209	.000	1.569

a. Predictors: (Constant), KM DRIVERS

b. Dependent Variable: ORGANIZATIONAL PERFORMANCE

Source: (Research data, 2013)

Table 3: Regression model summary

HYPOTHESIS TESTING

To determine the extent of the relationship between the independent variables for this study, the researcher subjected the data to multiple regression and the coefficients of correlations were obtained as shown in the table 4.24 below. It was therefore learnt that there is no significant relationship between knowledge management drivers and organizational performance. The hypothesis that was formulated was subjected to inferential statistics to test it, namely; Knowledge management drivers do not affect organizational performance. From the results of the analysis, hypothesis that knowledge management drivers do not affect organizational performance was accepted, (t= 1.054, p=0.293). The summary of the outcomes was:

H0₁ Knowledge management drivers do not affect organizational performance was accepted as in table 4 that follows.

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			Collinearity Statistics	
	B	Std. Error	Beta			Zero-order	Partial	Part	Tolerance	VIF
(Constant)	1.461	.280		5.222	.000					
KM DRIVERS	.073	.069	.077	1.054	.293	.311	.073	.059	.592	1.690

a. Dependent Variable: ORGANIZATIONAL PERFORMANCE

Source: (Research data, 2013)

Table 4: Regression Coefficients

VI. DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

SUMMARY OF FINDINGS

This study was guided by the specific objective that involved an investigation in to the extent to which knowledge management drivers influenced the performance of hospitality organizations. The study initially hypothesized that knowledge management drivers does not affect the performance of hospitality organizations, which was subjected to statistical analysis to establish the nature of relationship between it and organizational performance. From the findings of the study, the null hypothesis was accepted. This is illustrated in the table 5 below.

Hypothesis	Statement	Results
HO ₁	Knowledge management drivers do not affect organizational performance	Accepted

Source: (Research data, 2013)

Table 5: Summary results of hypothesis testing

THE EFFECT OF KNOWLEDGE MANAGEMENT DRIVERS ON ORGANIZATIONAL PERFORMANCE

The researcher conducted a factor analysis on the data and the variables in the study were reduced to two components namely; personnel based drivers and organization based drivers. Upon subjection to regression analysis, knowledge management drivers were found to have a positive correlation with the performance of hospitality establishments. This was at the level of $t=4.768$ which was above the critical value of $t_{\alpha}=2.96$. That was interpreted to mean that knowledge management drivers significantly affect the extent of performance in the hospitality organizations.

The findings of this study emphasized that personal factors are very important in facilitating the performance of hospitality establishments. Organizational knowledge is not intended to replace the individual knowledge, but to complement it by making it stronger, more coherent, and more broadly applicative. Thus the researcher found organization based knowledge management factors to be very vital in the performance of various hospitality organizations. Therefore the hypotheses that: *knowledge management drivers do not affect the performance of hospitality organizations* was rejected. In the views of Ricarda, (2002) hotels require staffs that are able to cope with different guests and their comfortably handle their preferences. Many quality problems occur because the staff may not fully understand the consequences of service interactions and guest's preferences. At the same time, organization based performance factors influence the extent to which a hospitality organization will perform. This was agreed upon by Dalkir, (2005), who found in his work that In order to be successful in today's challenging organizational environment, companies need to learn from their past errors and not reinvent the wheel again and again.

VII. CONCLUSION

This study draws its findings from the hypotheses that was identified and subjected to statistical analysis. Based on the influence on organizational performance, the independent variable; KM drivers was used to draw to conclusions for this study. If the management of the hospitality organizations invested in the improvement of these factors, then they will definitely have better performance in their operations.

The conclusion relates to knowledge management drivers. This has no influence on the performance of the hospitality organizations. When the employees are motivated to work within the organization, which is geared towards the achievement of the stakeholder requirements, then the performance of the hospitality organization is not inclined to improvement. Generally, it was concluded that knowledge management drivers do not have a significant effect on organizational performance. The managers of the hospitality firms need to understand what other factors besides knowledge management drivers affect the performance of hospitality organizations and they invest on them so as to ensure that they are constantly relevant in the dynamic business world.

VIII. RECOMMENDATIONS

After the hypothesis in this study was subjected to analysis and conclusions drawn, the researcher came up with the following recommendations:

- ✓ The organizations should employ knowledgeable personnel who are able to use their knowhow to work for the hospitality organizations independently so as to enhance performance within the organization.
- ✓ The employees should be encouraged to develop and discover new ways of working so as to achieve the goals of the organization.
- ✓ The organization should come up with a conducive environment that will enable the employees to learn from each other, leading to a learning organization within the establishment.
- ✓ The organization should conduct regular evaluation of its capabilities to discover the areas of deficiency so as to take corrective actions to ensure that there is constant improvement and growth.

AREAS FOR FURTHER RESEARCH

Factors affecting knowledge management in the hospitality industry.

Knowledge management as a tool for organizational performance.

REFERENCES

- [1] Argote, L., & Ingram, P. (2000). Knowledge transfer: Basis for competitive advantage in firms. Organizational

- Behavior and Human Decision Processes, 82(1) (May), 150–169.
- [2] Allee, V. (1998). *The Knowledge Evolution*. Boston, MA: Butterworth-Heinemann.
- [3] Beatham, B., Anumba, C., Thorpe, T., & Hedges, I. (2004). “KPIs: a critical appraisal of their use in construction”. *Benchmarking: An International Journal*, Vol. 11 No. 1, 93-117.
- [4] Beckman, T. (1999). The current state of knowledge management. In J. L. (ed.), *Knowledge Management Handbook* (pp. 1-1-1-22). Boca Raton: CRC Press.
- [5] Bergeron, B. (2003). *Essentials of Knowledge Management*. New Jersey: John Wiley & Sons, Inc.
- [6] Böhme, G. &. (1986). *The Knowledge Society: The growing impact of scientific knowledge in social relations*. Dordrecht, Holland: D. Reidel.
- [7] Brander-Brown, J., & McDonnell, B. (1995). “The balanced scorecard: short-term guest or long-term resident?”. *International Journal of Contemporary Hospitality*
- [8] Brown, J. S. (2000). *The Social Life of Information*. Boston: Harvard Business School Press.
- [9] Chou, T.-C., Chang, P.-L., Tsai, C.-T., & Cheng, Y.-P. (2005). Internal learning climate, knowledge management process and perceived knowledge management satisfaction. *Journal of Information Science*, 31, 283-296.
- [10] Chuang, S. (2004). A resource-based perspective on knowledge management capability and competitive advantage: an empirical investigation. *Expert Systems with Applications*, 27, 459-465.
- [11] Dalkir, K. (2005). *Knowledge Management In Theory And Practice*. Burlington, USA: Elsevier Butterworth–Heinemann.
- [12] Damasio, A. R. (1994). *Descartes’ Error: Emotion, Reason, and the Human Brain*. New York: Grosset/Putnam.
- [13] Damasio, A. R. (1999). *The Feeling of What Happens: Body and Emotion in the Making of Consciousness*. New York: Harcourt-Brace.
- [14] Davenport, T. H. (2000). *Working knowledge: How Organizations Manage What They Know*. Boston: Harvard Business School Press.
- [15] Davenport, T., & Prusak, L. (1998). *Working knowledge: How organizations manage what they know*. Boston: Harvard Business School Press.
- [16] Freeman, O. (2001). Does your organization use knowledge to gain competitive advantage? *Business Information Review*, 18.
- [17] Halpern, D. F. (1989). *Thought and Knowledge: An Introduction to Critical Thinking* (2nd Edition). Hillsdale, NJ: Lawrence Erlbaum.
- [18] Harris, P., & Mongiello, M. (2001). “Key performance in European hotel properties: general managers’ choices and company profile”. *International Journal of Contemporary Hospitality Management*, Vol. 13 No. 3, 120-7.
- [19] Hansen, N. & N Morten T. (1999). What's Your Strategy for Managing Knowledge? HARVARD BUSINESS SCHOOL, 1-12.
- [20] Ipe, M. (2003). Knowledge sharing in organisations: a conceptual framework. *Human Resource Development Review* 2,, 337-359.
- [21] James, W. & Hoque, Z., (2000). “Linking balanced scorecard measures to size and market factor: impact on organizational performance”. *Journal of Management Accounting Research* Vol. 12, 1-17.
- [22] Keiser, R. J. (1989). *Principles and Practices of Management in the Hospitality Industry*. (2nd Ed.). New York: Van Nostrand Reinhold.
- [23] King, W. R. (1999). "Integrating Knowledge Management into IS Strategy". *Information Systems Management*, Vol. 16. No. 4. pp. 70-72.
- [24] Klein, G. (1998). *Sources of Power: How people make decisions*. Cambridge: MIT Press.
- [25] Nonaka, I., & Takeuchi, H. (1995). *The Knowledge-Creating Company: How Japanese Companies Create the Dynamics of Innovation*. New York: Oxford University Press.
- [26] Nonaka, I. (1998). *The knowledge-creating company: Harvard Business Review on Knowledge Management*. USA: Harvard Business School Publishing.
- [27] Omar, M. (2012, March Sunday). Knowledge management key to successful implementation of Vision 2030 initiative. Retrieved April 14, 2014, from Daily Nation: <http://www.nation.co.ke/oped/Opinion/-/440808/1364244/-/m8l89wz/-/index.html>
- [28] Pyo, S. U. (2002). Knowledge Discovery in Database for Tourist Destinations. *Journal of Travel Research*., Vol. 40. pp. 396-403.
- [29] Reich, R. B. (1991). *The Work of Nations: Preparing Ourselves for 21st Century Capitalism*. New York: Vintage Books.
- [30] Ricarda B. Bouncken(2002), *Knowledge Management in Hospitality and Tourism* (pp. 5 - 23). Canada: The Haworth Hospitality Press.
- [31] Ryan, H. J., & Trahan, E. (1999). “The utilization of value-based management: an empirical analysis”. *Financial Practice & Education*, Vol. 9 No. 1, 46-58.
- [32] Sabrina, S. S., & Matthew, K. O. (2005). IT-based knowledge sharing and organizational trust: The development and initial test of a comprehensive model. *Proceedings of the 13th European Conference on Information Systems, Information Systems in Rapidly Changing Economy*. Regensburg, Germany: Universitat Trier.
- [33] Schön, D. A. (1983). *The Reflective Practitioner: How Professionals Think in Action*. New York: Basic Books.
- [34] Skyrme, D. J. (1999). *Knowledge Networking: Creating the Collaborative Enterprise*. London: Butterworth-Heinemann.
- [35] Spek, R., & André, S. (2005). *Knowledge Management: Dealing Intelligently With Knowledge*. Netherlands: CIBIT Consultants | Educators.
- [36] Storey, J. (2005). Human resource policies for knowledge work. In (. S. and T. Ray, *Managing Knowledge: An Essential Reader*. Second Edition. London: Sage Publications.
- [37] Venkatraman, N., & Ramanujam, V. (1986). “Measurement of business performance in strategy

- research: a comparison of approaches". *Academy of Management Review*, Vol. 11, 801-14.
- [38] Verweire, K., & Berghe, L. V. (2004). *Integrated Performance Management: A Guide to Strategy Implementation*. California: SAGE Publications Inc.
- [39] Watson, I. (2003). *Applying case-based reasoning techniques for enterprise systems*. San Francisco: Morgan Kauffmann Publishers.
- [40] Wiig, K. M. (1994). *Knowledge Management: The Central Management Focus for Intelligent-Acting Organizations*. Arlington, TX: Schema Press.
- [41] Wiig, K. M. (2000). *Application of Knowledge Management in Public Administration*. Arlington, Texas, USA: Knowledge Research Institute, Inc.

IJIRAS