

# RATIONAL OR INSTITUTIONAL INTENT? KNOWLEDGE MANAGEMENT ADOPTION IN SAUDI PUBLIC ORGANIZATIONS

Mashhoor Alamri and Yahya Abumaghayed

## ABSTRACT

*A mixed-methods analysis examined the motivations of the Saudi public organizations to adopt knowledge management as a modern management philosophy by using rational and institutional perspectives. The results show that these organizations are affected by both institutional and rational factors, however, the role of the institutional perspective in interpreting the mechanism of decision making for the adoption of knowledge management, achieving the requirements necessary for establishing a knowledge management project, and the organizations ability to manage the knowledge management project is more prominent than the rational perspective. Regarding type of organization, the results has indicated a different response to the institutional pressures according to the type of organization. Organizations that operate in an environment that have more technologies are inclined to the rational perspective, as in the case of financial institutions and organizations operate in an environment that have limited technology and less identified objectives are inclined to the institutional perspective, as in case of training and educational organizations.*

**Keywords** - Institutionalism, Knowledge management, Rationality.

## INTRODUCTION

Public organizations have witnessed continuous reorganization and reform initiatives. These organizations are continuously trying to adopt new programs and administrative innovations, some of which have achieved success while others have failed.

In order to understand the reasons behind adopting these innovations and finding the appropriate conditions contributing to their success, several interpretations in the organization theory have emerged, each attempting to find an answer to this inquiry. One of these interpretations, which has raised a wide debate in organization theory literature, is the institutional theory. In contrast to the rational model, which assumes that the organizations are adopting certain innovations to achieve the organizational objectives, the institutional theory challenges the rational concept and assumes that the organizations are passive entities and are subject to widely prevailing social beliefs and cultural crite-

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ria, therefore, they seek legitimacy, instead of efficiency, in order to survive (Greenwood, 2011).

Since the formulation of the theoretical principles of the new institutionalism in the works of Meyer and Rowan (1977), a number of themes have emerged which used this study as guidelines for directing the research. One theme grasped the attention of many researchers is exploring the institutional argument that led many public organizations to adopt an array of practices that are widely popular in business sector (Greenwood, Oliver, Sahlin, Suddaby, 2011).

While Researchers have taken evidence of the institutional model from a range of practices and settings, knowledge management as a modern philosophy has not gained adequate attention to interpret the reasons behind its adoption in public organizations. In other words, knowledge management adoption has been left open for different interpretations. In order to bridge this gap in the research, the study will explore the motivations of the public organizations in the Kingdom of Saudi Arabia to adopt knowledge management by using the rational and institutional models. This is accomplished by exploring the most common approaches for implementation of knowledge management, the availability of the main infrastructure to build knowledge management, and the ability to manage the knowledge management project.

The study will tackle the theoretical background of rational and institutional theories as well as knowledge management as a modern administrative practice, followed by the description of the research methodology, analysis and discussion of the results; and finally a proposal of some recommendations and suggestions for future research.

### **RATIONAL THEORY**

Through the evolution of the organization theory, organizations are considered as rational entities designed in a logical way, focusing on implementing the organizational objectives by using the most efficient and effective means. Within this perspective, organizations are seen as tools in the hands of leaders, designed to achieve specific objectives; and the organizations' behavior is considered as procedures conducted by employees in a coordinated and objective manner. The language used in this perspective includes terms such as efficiency, effectiveness, information and improvement (Scott & Davis 2014).

Scott (2003) classified rational theory in two models, closed rational model and open rational model. The closed rational model is based on the assumption that there are certain organizational arrangements, which are suitable for all organizations regardless of the nature of the work they are performing, or the environment in which they are operating. These models according to Scott include the scientific management theory of Fredrik Taylor, the administrative organization theory of Henry Fayol, Bureaucracy theory of Max Weber and decision theory by Herbert Simon. These theories, with their strict view of rationalism, reflect clearly the vision of the economists and describe the organizations as being strictly controlled and separated from their surrounding environments and always assumed to act in predictable manner.

The open rational models according to Scott include bounded rationality by March and Simon, contingency theory by Lawrence and Lorsch, transaction cost theory by Williamson, and comparative structure theory by Woodward and Pugh et al and Blau. These open rational perspectives take into account the impact of environment and its restrictions on the effectiveness of the organization.

It is clear that there are different rational views about organizations. One focuses within the organization and considers the organization behavior as a work performed by effective people in an objective manner, while the other stresses the relation between the organization and its environment. However, the language used in both models is composed of terms such as information, improvement, rules, coordination, control and motivation, adaptation, and compatibility in order to achieve efficiency and effectiveness. All these terms are contradicting with the context assumed by the new institutional theory.

### **NEW INSTITUTIONAL THEORY**

In 1997 Meyer & Brian Rowan published their study titled: "Institutionalized Organizations: Formal Structure as Myth and Ceremony". This study had determined the fundamental components of the institutional thought and stated the institutional principles in the context of formal organizations.

Meyer and Rowan, after Max Weber, interested in the interpretation of the wide spread and increased complexity of the official structures and organizations in the modern society. They refer this to two main factors: The first is the complex relations between the technological activities and work activities in the new organizations and the required coordination and control. The second is the institutional context, the concept which gained wide popularity. In other words, the institutional context determine what is rational and what is irrational for the organization. Many of the formal structures of the organizations, arise as a reflection of these rationalized values (not rational in reality), which are widely spread in the new societies. The authors argued that many of the elements of the formal organization were constituted by the institutional values outside the organization.

Meyer and Rowan stressed that the organization can maximize its legitimacy through the following: Adopting organizational elements, practices and forms that have outside legitimacy regardless of their technical efficiency, utilizing legitimate formal evaluation criteria to show the importance of the organizational practices they have adopted in order to gain the trust, satisfaction and good intentions, and attempting to be in conformity with the institutional environment; as such conformity will stabilize the internal and external relations as part of the wider social order. (Meyer & Rowan, 1997).

The institutional environment has been studied in more details by Meyer in his collaboration with Scott in 1991. In this research Meyer and Scott differentiated between two types of organizational environments, which are: the institutional environment and the technological environment: first is the technological environment is closely linked with market system; and the structure of the organization within this environment will be

geared towards certain products or services. Second is the institutional environment which is characterized by certain rules and requirements that should be followed by any organization seeks support and legitimacy. These requirements are drawn by organizational institutions or professional agencies or vocational societies or cultural customs.

Another theme has appeared in the institutional theory is the isomorphism in the same organizational field. It stresses that the real drivers for change in organizations are the institutional pressures imposed by the state, professions and the society. There are three mechanisms through which the isomorphic change occurs. These mechanisms are: First, the coercive isomorphism that stems from political influence, governmental bodies and cultural expectations, which may be imposed on the organizations compulsory or by recognition. Due to these pressures, the organizations may adopt certain organizational forms or practices to avoid sanctions, which have nothing to do with rationalism. Second, the mimetic isomorphism, which results when organizations, of less reputation, imitate other organizations, which are more established and have more legitimacy; thinking that these organizations are behaving more rationally and because they do not want to be seen as less advanced than others. Organizations tend to imitate when they find that their technologies are not understood and their objectives are not clear. Finally, the normative isomorphism, which is associated with professionalization or what is considered largely as the best class or the ideal method of business. The normative isomorphism stems mainly from professionalism and the relations between members of same profession. Professional associations training and education institutions inbuilt similar professional standards for the work for the members of same profession. These values are transferred to organizations through those professionals who prefer adopting similar structures (DiMaggio & Powell, 1983, p.150).

### KNOWLEDGE MANAGEMENT

Knowledge management, as a scientific field, appears to be driven by the scientific studies and writings movement, according to Kimis Dalkir (2005, p.12). The term "knowledge management" and the practice itself has been in existence for a long time, but it only appeared as a scientific term at the end of the 1980's in different academic arenas and by the end of 2003 over 100 universities around the world were offering knowledge management in their programs (2005,p.16).

The concept of knowledge management expresses the emergence of new resources based on the knowledge industry, surpassing in its influence all other resources, known by its high value. This makes knowledge as the strongest source of power for all nations. Maier (2001) defined knowledge as "all conceived expectations, organized meaningfully, collected and contained through experience and communications by individuals or organization's agent to be utilized in interpretation of positions and creating results or in behavior and solutions" (Al-Dory and Salih, 2009, p.51). Knowledge management is considered a new concept in administrative thought. Wiig defines knowledge management as "planning, organizing, control, coordination and creation of knowledge and all intellectual capital aspects, processes, capabilities, personal and organizational abilities in order to have the maximum influence in competitiveness and

sustainability, exploitation, dissemination and investment of knowledge and availing the necessary facilities (Wiig, 2002, p. 224). There are several other concepts that are closely linked with knowledge management such as intellectual capital, knowledge community, knowledge economy and learning organization.

The importance of knowledge management stems from the fact that all types of organizations are in need of knowledge management for their survival, development and cultural leadership. Nonaka and Takeuchi (1995, p.6) confirm that the main factor behind the industrial supremacy of Japan is its ability to invest in knowledge in a proper manner. This leads to enhancing organizational learning, in order to achieve competitiveness as stated by Raymond and Daft (2001).

The knowledge management process helps in clarifying the concept of knowledge management from an empirical perspective, reflecting the stages of the knowledge resource when utilized and exploited by the organization. Scholars have provided several conceptions about the life cycle of knowledge management. Some of them have classified life cycle into four stages such as Fernandez and Saherwal (2010, p.9), others in eight stages as Bukowitz and Williams (2009, p.9), and some in more than that, but despite their difference in the number of stages, the content is generally agreed upon (Al-Zahir, 2009, p.157). Some scholars describe the life cycle of knowledge management as being the functions of knowledge management, summarizing in (6Cs), the code which denotes the first letters of the six following functions: Creation, Capture, Codification, Classification, Communication and Capitalization (Al-Kebisi, 2009, p.579).

To build knowledge management in the organization, several components should be included in the project of knowledge management. Calabrese (2010, p.xxi) presented the components of knowledge management represented in four principles - organization, leadership, technology and learning. The basic required components (Debowski, 2006, p.23), Al-Malkawi, 2007, p.85) include the following; First: Human resources which is responsible for all activities and processes related to the different stages of knowledge management, in addition to its active role in activating the other requirements. This resource is called the knowledge workers (KW) (Pasher & Ronen, 2011, p.65). Second: The technical structure which represents the necessary infrastructure for building knowledge management in the organizations. Third: Organizational structure requirement which includes all organizational components representing the environment on which the knowledge management is established and implemented. Fourth: Cultural organization which includes the depth of cultural influence on various knowledge management processes and values associated with its success - in sharing knowledge and exchanging information within the organization, and to the external surroundings (Anantatmula, 2013, p. 615). Fifth: Sustainable strategic commitment which refers to the senior management's commitment to support knowledge management efforts across various levels of the organization.

Knowledge management influenced by several forces considered through two groups can be summarized as follows (Sveiby & Liod, 2001; additions 2008, p.113): The driving forces of knowledge management: this group includes the external and the internal forces that push organizations towards a knowledge management initiative to maintain its' survival and continuity. The resistance forces of knowledge management: These

obstacles include what was urged by a team characterized with isolation within the organization, revealed upon implementation; making it provides a non-specific competitive value (Thierauf, 2003).

Knowledge management has several established perspectives summarized in the following three main categories (Wiig, 1994, p. 98; Igor, 2010, p.81; additions 2008, p.151):

First - Knowledge management mechanisms which depend on technology and technical equipment to achieve the standardization of tasks, processes and its consistent optimal performance. This is based on the assumption that achieving effective access to various informational resources in the organization is possible through technical applications. On the one hand, this perspective is considered to be easily applied, but may not lead to knowledge management which has the ability to raise the accumulated experience. The three sub - perspectives include: The knowledge transfer mode perspective which focuses on the technical methods and ways to transfer to the various types of knowledge; Knowledge assets building perspective which is based on the discovering and development variety knowledge owned by the organization through the technical applications; and knowledge assets management perspective through technical building of procedures and investment operations of knowledge owned by the organization.

Second - In the cultural and behavioral knowledge management perspective (which is based on the humanitarian perspective), knowledge management is seen as a deep-rooted organizational issue in which the techniques can represent only its apparent or tangible sides. It is based on the assumption of the need for the constant change of behaviors and organizational culture in the environments that depends on the informational intensity. This category focuses on operations more than technology, and makes the leading role to specify the assumed changes. These approaches include three sub-perspectives: The core competence perspective focuses on strengthening and building creative behavior in the organization, the organizational culture perspective is based on deployment and the building of knowledge management culture, and the organizational learning perspective aims to build an educated organization, by concentrating on a variety of organizational learning behaviors.

Third - Knowledge management systems perspectives which is a holistic view of various key factors in the organization and the careful analytical perception of the cognitive problems. It is main assumptions that the organizations are focusing on so that sustainable results that can be achieved, rather than the technology or the knowledge within the process. It contains the following perspectives: The total quality perspective based on improving products through holistic organizational processes, which depends on organizational knowledge and includes the various resources of the organization; The reengineering perspective based on the total re-building of the various organizational processes on the basis of the rules and concepts of knowledge management; The intelligent-acting operation perspective which expresses the wide organizational changes that depend on the intelligent and effective use of knowledge representing the fundamental capabilities of the organization.

## METHODOLOGY



The study population was all 33 Saudi non-ministerial public organizations located in Riyadh which is characterized by less public control and more flexibility in management and budget. We classify these organizations according to the nature of their functions to learning and training organizations, economical organizations, financial organizations, and administrative and social organizations. Having developmental initiatives to apply knowledge management as a modern administrative trend, makes this population an appropriate community to achieve the objectives of the study.

The sample of the study has been determined by implementing the Purposive Sample, because of its commensuration with the nature of the field study. The sample has been identified within administrative departmental staff, relating to the subject of the study, in which staff employees are represented in the Strategic Planning units, Development and Quality units, and information technology units. The researchers were able to interview 197 employees, thus the final sample has been made of (197) cases, a sufficient number for the purpose of the study.

The data came from interviews that were designed to take advantage of two measures: (1) The assessment tool of the American Society for Training and Development (ASTD), designed to measure the intellectual capital and organization readiness for knowledge management known as the (Info Line), consists of a series of questions on basis of Tri-Measure (additions 2008, p.110), and (2) the Knowledge Management Assessment Tool (KMAT) developed by the Foundation of (Arthur Andersen) in cooperation with the American Productivity & Quality Center, consists of a series of questions on the basis of Penta- Measure (Andersen, 1996, p.11), in addition to utilizing some literature that tackles knowledge management measures (see Appendix 1).

The validity and reliability of the study tool has been confirmed according to several methodological procedures, and both face validity and content validity has been also verified through three steps represented by linking to literature related to the subject of the study, having the study judged by subject experts, and conducting an exploratory study on (25) cases, representing a random sample of the study population. Reliability was tested by Cronbach's alpha coefficient (Cronbach, s Alpha) with an overall reliability reached to (0.85) of the interview tool (see Appendix 2).

The data was analyzed by applying mixed method analysis in two phases. In the first phase, a quantitative analysis was conducted for the data collected by the interview tool, and the content was analyzed by using the Statistical Package for Social Science program (SPSS). In the second phase the qualitative analysis was applied on the outcomes of the quantitative analysis phase, after a comprehensive review of rational and institutional theory literature and the use of explanatory power of two perspectives on knowledge management implementation (Appendix 3).

## **Results Analysis**

### *First Variable: Justifications of the public organizations moving toward knowledge management*

The interview data showed, as shown in Table (1), a high-impact of applying knowledge management strategy on the ability of public organizations to meet the five

modern administrative challenges (total quality application, change management, optimal utilization of resources, the intensity of competition, and the globalization). The overall mean of these items is (3.8) with a standard deviation of (0.8). By considering the mean values, we clarify that all Items are occurring within the approval cell, although some dispersion has been appeared in the trends of the sample cases with standard deviation ranged between (0.8) and (0.9).

**Table 1: Public organizations approach towards knowledge Management**

Item	M	SD
Total quality application	3.9	0.9
Change management	3.9	0.9
Optimal utilization of resources	3.9	0.9
The intensity of competition	3.8	0.9
The globalization	3.8	0.8
The total	3.8	0.8

Applying one-way ANOVA analysis shows a significant difference as a result of the type of public organization in terms of the F value which reached (2.91), and the LSD test indicating the superiority of educational and training organizations over both economic and financial organizations by (0.5) for each of them. This is due to the confidence of sample in educational and training institutions in the impact of the adoption of knowledge management strategy to raise the level of efficiency to meet modern management challenges, and due to its organizational and cultural characteristics that able to accommodate development operations with the ability to direct them. F values for the type of administrative units as well as for its role in the development did not show any substantial difference back to the same variable values where significance levels were not statistically significant. It is therefore clear the extent of realizing and awareness of the public organizations about the current administrative challenges and its detection of the need to develop appropriate concepts to ensure handling and keeping pace with its requirements.

This response can be well explained through the use of the rationality and institutional theory. As the majority of the sample tendencies are to approve the impact of the knowledge management strategy on the ability of public institutions to deal with the challenges of modern management, it can be attributed to fact that the majority of the samples look at knowledge management as a rational management style, capable of dealing with the technical and technical environmental pressures, which face these organizations; owing to knowledge management ability to handle large amounts of data and generate new information. Knowledge management relies on a high-qualified human element, keeping pace with new technologies and contributes in increasing the efficiency, as an added value to all the organization capabilities. This will lead to improving the operations of these organizations, thereby providing a better service to the citizens. On the other hand some respondents may are not convinced that knowledge man-



agement has the ability to face administrative challenges since they are skeptical about the ability to deal rationally with the organizational reality, in which these institutions live. This is because they view knowledge management as a modern administrative approach a glamorous reputation in the field of administrative development, which is often misused, fueling other purposes. If knowledge management is adopted, this will contribute to raising the organization's status and can improve its image and its officials reputation in society. Thus, it is considered an effective way to gain legitimacy and to obtain the government support.

*Second Variable: Prioritizing knowledge management approaches by organizations*

The study revealed that the majority of the sample sees the knowledge management approaches are appropriate with the disparity in the appropriate level as shown in the table (2). There are three levels through which we can make this point more clearly. The first level: reflects the general orientation of the sample are towards the following approaches more than the others: The educated organizational approach, the total quality approach, the knowledge assets management approach, and the knowledge culture approach, as the tendency percentage ranged between (55.8 %) and (55.9 %). The second level: The tendency of the sample to lean towards other approaches but with fewer degrees, such as: reengineering, and core competence approach which ranges between (55.3 %) and (53.8 %).

**Table 2: The appropriate Perspective to be applied on the Knowledge management**

<b>KM Approach</b>		<b>Appropriate</b>	<b>Neutral</b>	<b>Inappropriate</b>
The Learning Organization	N	118	66	13
	%	59.9	33.6	6.6
Knowledge Culture	N	115	68	14
	%	58.9	34.5	7.1
Total Quality	N	112	68	17
	%	56.9	34.5	8.6
Knowledge Transfer	N	110	74	13
	%	55.8	37.6	6.6
Knowledge Asset Management	N	110	74	13
	%	55.8	37.6	6.6
Reengineering	N	106	73	18
	%	53.8	37.1	9.1
Core Competence	N	105	72	20
	%	53.3	36.5	10.2
Intelligent-acting Operation	N	87	92	18
	%	44.2	46.7	9.1

The third level: the sample is divided towards the intelligent-acting operation approach, 44.2 % see it appropriate approach and 46.7% are neutral and 9.1 % see it inappropriate approach.

By applying one-way ANOVA, we find that there is no fundamental difference due to the characteristics of the public organizations, whether the diversity of the organization's activities or the administrative unit type or developmental role of these units, where the levels of F value is not statistically significant.

This result confirms that the public organization's tendency towards the development is through focusing on the technical requirement, which reflects the knowledge transfer and the knowledge assets management approaches. This is in addition to focusing on the system requirement, through the total quality approach, which has recently achieved a tangible presence in different public organizations, as a required matter to the management superiority and as a measure to ensure the services quality and the institutional superiority.

By examining these results through the rational and institutional perspective, we found that the focus of public organizations on the mechanism and systematic approaches and neglecting the cultural and behavioral approaches, tends to include the institutional approach rather than rational approach. Devices and technology confer symbolic and formal manifestations to the organization in front of state and public opinion more than the other perspectives, regardless of their internal efficiency, thus increasing the state trust and public opinion in the practices of these organizations. Therefore, they have greater willingness to support such organizations. This interpretation can also refer to the adoption of total quality management by these organizations with the exclusion of the intelligent-acting operation, and the engineering of the work systems outside the systemic approach, because total quality management is one of the organizational innovations deployed on a large scale and is very popular by both government and business organizations. This renowned reputation makes it even formally adopted as an opportunity to improve the image of the organization in front of decision-makers, so that it is seen as a sophisticated and modern organization, able to adopt the modern global concepts. This is leading to better access to resources that may be used for other purposes different from those advertised and disclosed ones. In contrast, the behavioral perspective is entirely excluded, although it is the most efficient perspective from the viewpoint of the leading scholars of knowledge management theory. This is because it is considered to be the weakest link among the perspectives, as it lacks the symbolic manifestations by which it can improve the image of the institution and make justifications that would convince officials to get the necessary resources.

*Third Variable: Extent to which public organizations have basic components of knowledge management*

The interview results have been analyzed in accordance with the scale (Info Line) of the American Society for Training and Development (ASTD) after adapting it with the purposes of the study. The Scale consists of 60 points spread over three levels: the first

level is below the readiness and represented by points (20-39), and the second-level is the preliminary level represented by points (40-49) , and the third level is the readiness level and represented by points (50-60). The results are shown in table (3)

**Table 3: The availability level of knowledge management requirements**

Type of organization	Knowledge management requirements (1 to 15)				Total out of (60)
	Structural	Human	Cultural	Technical	
1. Educational and training	12.8	11.7	13	13.4	50.9
2. Service (administrative – social)	11.6	11.1	11.4	11.8	45.8
3. Financial	11.2	10.1	11	11.8	44.3
4. Economic	11.5	10.5	10.7	11.5	43.2
Total	11.5	1.7	11.4	12	45.6

Results indicate that public organizations have achieved the preliminary level with average of (45.6) points. It may give an indication that administrative environment in public organizations still require a degree of maturity to cope with modern changes.

The findings revealed a difference in the level of the requirements. The technical requirement held a first position over other requirements with an average points ranged from (11.5) to (12.8). This is followed by a noticeable margin by the human requirement, which converges with the organizational requirement with an average points ranging between (10) and (12.8) points. The cultural requirement comes at the end of the list with an average points ranging between (5.5) and (13). This order reflects the nature of the developmental trend in public organizations, which is characterized by imbalance in dealing with the development processes, including knowledge management. Focus is usually given to the informational technologies and their software, hardware and applications, followed by attention to the required human element for the process of development; while less attention is given to the organizational element. The cultural element is considered to be a complement without activating it in most cases. This reflects the weakness in the administrative professional and a lack of administrative specialization in dealing with development operation, which drives to focus on the ceremonial forms, such as technology and human resource with the absence of organizational and cultural aspects despite its importance. The organizational aspect is supposed to be the first phase of the process followed by the cultural aspect, then the human and technical requirements should be done in accordance with the organizational and cultural requirements that already developed.

The result showed a significant variation between the types of public organizations in achieving the necessary ingredients for the knowledge management project. The educational and training organizations achieved the highest average of points (50.9), making it within the readiness category which has the ability to enter into knowledge management project. The remaining organizations come in the second level, the preliminary

level for readiness. the service organizations comes first in this level with an average score of (45.8), followed by financial organizations with average scores of (44.3). The economic organizations have achieved the lowest level by (43.2), and we find that this order on the scale repeats itself from previous variable.

One-way ANOVA analysis showed the existence of a fundamental difference due to the type of public organizations. The value of F reached (4.49), with a statistically significant level of (0.004) being less than the significance level of (0.01). LSD revealed that the direction of the difference was in favor of the educational organizations over the economic institutions as well as the financial institutions with (0.3) points, and over the service organizations with (0.2) points. This was due to the tendency of the sample which believe that the educational and training organizations can achieve organizational, human, cultural and technical requirements on the basis of their organizational structures, nature and distinguished human resources, which lead to building an appropriate culture for knowledge management and mastery of its different techniques.

It is clear from the discussion of the results that the public organizations are still below the preliminary level of readiness, with the progress of the technical requirement over the rest followed by the human requirement, then the organizational and the cultural requirement, which comes at the end of the list. Educational and training organizations have achieved the highest level, followed by service organizations and then both of economic and financial organizations. This indicates that the current state of public organizations are not at the appropriate level to launch the knowledge management project. They are not able to properly achieve its requirements, especially the cultural, organizational and human aspect, but with a disparity between them where educational organizations are considered closer to accept such projects.

The proper approach for applying knowledge management is to build the organizational and cultural components at first, and then build the human and technical components to fit with the existing organization and the prevailing culture. The previous result is opposite of this perspective. Moreover, the technical aspect and its related techniques and devices carry adequate symbolic manifestations to justify the request for additional resources, as well as for the human cadre. Through this, the decision maker may be convinced to get additional resources for training and providing appropriate working environment and improve the salaries and wages to support the cadre. In contrast, we find the nature of the organizational and cultural components are more rational but without any virtual formality or structure which is strong enough to justify the request for additional resources from the decision-makers.

*Fourth Variable: The ability to manage the knowledge management project*

In the light of Knowledge Management Assessment Tool (KMAT) developed by The American Productivity & Quality Center which has been adapted for this study consists of (40 points) with the following four levels: the preliminary level (1-9), the initial level (10-19), advanced level (20-30), and the leading level (31-40), the following table shows the results in descending order.

**Table 4: The ability level for manage the Knowledge Management**

Type of organization	Total score	Number	The Adjusted total
Educational and training	831	34	24.4
Service (administrative – social)	1344	58	23.2
Financial	1385	64	21.6
Economic	834	41	20.5
Total	4403	197	22.4

The table shows that public organizations have achieved (22.4 points) making it in beginning of the advanced level or above the initial. The assessment tool showed some variations between public organizations in the extent of its ability to manage the knowledge management project, although One-Way ANOVA analysis didn't show any fundamental differences among type of public organizations. It is clear from this that the public organizations have an acceptable level of ability to manage the knowledge management project. The educational and training organizations achieved the highest level in terms of the number of points averaged (24.4 points). This makes them almost in the middle of the advanced level, perhaps this attributed to its human resource which is characterized by the best capabilities. In addition to the nature of educational and training activities which is open to the new intellectual trends in management. Service organizations came in second place with an average of 23.2 points. This may be attributed to the nature of service organizations, which face various pressures to meet citizens' demands.

The existence of all public organizations regardless of the nature of its activity, at the beginning of the third level can be explained through that all of them live in a converged environment, so the institutional context is the same in terms of the nature of these organizations and its characteristics, prescriptions, and the mechanism of resource demand. But the differences between these organizations in terms of their ability to deal with knowledge management within this level are due to the relative variation in the type and nature of the external pressures on these institutions. So the existence of educational and training institutions in the first place is owing to work in more institutional environment, which is difficult to measure its outputs comparing with the other organizations, and it's suffering from both of coercive pressure of the state, and standardized pressure by organizational filed, therefore to enhance its legitimacy, they are trying to appear in a modern appearance in front of the official bodies through the adoption of modern management models in order to ensure good image and continuous resources. As for the service organizations and their coming in the second place, it can be attributed to the strength of the technical and institutional pressures from public and officials in order to improve their services. So they can avoid the government pressure and not to undermine the confidence of the public by ensuring the continuity of the flow of resources without conflict. Finally, the financial institutions came in the last place in their ability to Knowledge Management, which refer to the fact that the environment in which they live is more closer to technical environment than the institutional environ-

ment. Therefore they are more stable and less vulnerable to pressure, so it could be said that these organizations are less enthusiastic to prove their legitimacy or image.

## CONCLUSION

The study, in its attempt to interpret why the public organizations in the Kingdom of Saudi Arabia are adopting the concept of knowledge management, showed in its results the integration and overlap of institutional and rational perspective in explaining the behavior of organizations to adopt the knowledge management. The role of the institutional perspective in interpreting the mechanism of decision making for the adoption of knowledge management, achieving the requirements necessary for establishing a knowledge management project, and the organizations ability to manage the knowledge management project is more prominent than the rational perspective. This result confirms, largely, the result reached by the classic studies of the institutional theory, which states that the public organizations are operating in a highly institutionalized environment. They adopt very popular practices in business in order to acquire a modern look and reputation, which in turn, will secure more legitimacy and resources. A deeper review of the results has indicated a different response to the institutional pressures according to the type of organization. This may be attributed to the difference in the environment, under which these organizations are operating with regards to the type of products and services, type of clients and the type of infrastructure. Organizations that operate in an environment that have more technologies, (coping with the market system) are closer to the rational perspective, as in the case of financial institutions. On the other hand, organizations which operate in an environment that have limited technology and less identified objectives and difficult to measure outputs are closer to the institutional perspective, as in case of training and educational organizations.

The study raises several enquiries, which may be tackled by future studies. Although this study has utilized the rational and institutional theoretical framework, the future studies may utilize other organization theories with the institutional theory. Moreover, future research may use the theoretical framework of this study to go further in studying the motivations for the adoption of knowledge management or other modern management approaches in other contexts like private and non-profit organizations.

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### APPENDIX 1: INTERVIEW FORM

**Organization Name:** ..... **Administrative Unit:**..... **First: Basic data**.....

**Years of experience:**     5 years and below     6-10 years     above 10 years

**Job level**     executive or (1-5)     supervisory (grade 6-10)     leader (grade 11-15)

**Experience level**     N/A     medium     advanced

**Role in developing the organization:**     leading     supervisory     executive     consulta-  
tive

**First: What is the extent of the effects of applying the knowledge management strategy at your organization on its ability to face modern management challenges?**

Administrative Challenge	Dimensions on which the knowledge management strategy can affect ability to apply them	Strongly Agree	Agree	Disagree	Strongly Disagree
<b>The Globalization Phenomenon</b>	1) Identifying its dimension. 2) Diagnosis of its impacts (challenges/ opportunities). 3) Developing remedy methods.				
	Comments.....				
<b>Competition intensity</b>	1) Determining areas of competition. 2) Preparing & developing plans & strategies.				
	Comments.....				
<b>Optimum resources utilization</b>	1) Investing the human resource. 2) Investing the financial resource. 3) Investing the material resource. 4) Investing the knowledge resource.				
	Comments.....				
<b>Application of total quality control</b>	1) Continuous improvement of product & service. 2) Focusing on customer & beneficiary. 3) Continuous education. 4) Participation & team work.				
	Comments.....				
<b>Change management</b>	1) Identifying the reality. 2) Diagnosis of the gap that motivates changes. 3) The move process toward the desired situation. 4) Achieving stability.				
	Comments.....				

Comments (for all paragraphs).....

**Second: What is the extent of availability of the knowledge management strategy’s requirements at your organization? (Please specify the same through the following elements)**

Component	Its elements	Available	Neutral	Unavailable	Comment/ another opinion
<b>Organizational Component</b>	1) The knowledge needed by the organization is specific and known to all.				
	2) The organization has appropriate means for knowledge management.				
	3) The organization perceives the importance of the intellectual capital for achieving superiority.				
	4) The leadership supports development and future learning.				
	5) The decision-making processes support the knowledge management application.				
<b>Human Component</b>	6) Hiring of individuals depends on the organization need for knowledge.				
	7) Maintaining of individuals depends on the organization need for knowledge.				
	8) HRD supports the knowledge management importance.				
	9) Efficiency of determining, assessing and attending to important staff.				
	10) Training efficiency supports knowledge management importance.				
<b>The Cultural Component</b>	11) The organization’s culture is suitable for the existing communication processes.				
	12) The organization’s culture supports learning.				
	13) The organization’s culture supports participation in information & thought.				
	14) The organization’s culture supports incentives for the talented and motivates them for learning.				
	15) The organization’s culture integrates knowledge into various activities & processes.				
<b>The Technological Component</b>	16) The organization has technologically advanced communication systems (in & off office)				
	17) The organization has multiple information systems.				
	18) The organization provides knowledge’s technological applications that support its different operations.				
	19) The organization provides technological applications for knowledge oriented toward serving the beneficiaries.				
	20) The training processes within the organization are technologically supported.				

**Third: What are the appropriate introductions to knowledge management application in your organization? (please specify through the following):**

Introduction	Concept	Appropriate	Neutral	Inappropriate
<b>Knowledge transfer</b>	Means focusing on different processes of knowledge transfer between the external environment & the organization, and different units of the organization. Comments: .....			
<b>Knowledge assets' management</b>	Means focusing on the construction, formation and utilization of knowledge sources owned by the organization. Comments: .....			
<b>The intelligence based process</b>	Means focusing on the knowledge of the highest added value. Comments: .....			
<b>The educated organization</b>	Means focusing on the learning processes at all levels (individual, group, organization). Comments: .....			
<b>Re-engineering</b>	Means re-building of processes & activities as a base for knowledge management. Comments: .....			
<b>Total quality control</b>	Focusing on achieving quality service by magnifying knowledge via quality management's mechanisms & principles. Comments: .....			
<b>Competence</b>	Focusing on the points of the organization superiority as pivot for building the knowledge management. Comments: .....			
<b>Knowledge culture</b>	Means focusing on raising the knowledge standard within the organization culture. Comments: .....			

**Fourth: What is the level of applying some knowledge management techniques at your organization? (Please specify through the following elements).**

	<b>Paragraph</b>	<b>Always</b>	<b>Often</b>	<b>Sometimes</b>	<b>Rarely</b>	<b>Never</b>	<b>Comment/ other opinion</b>
1	Continuously developing the staff knowledge to achieve the competitive advantage.						
2	Supporting new thoughts in the event of failure.						
3	Employees contribute to building knowledge at the organization.						
4	The electronic systems contain the required information for business performance.						
5	Provision of information to support an advanced & flexible business system.						
6	Continuous measurement of the available information volume (intellectual capital).						
7	Obtainment of the best practices from multiple sources.						
8	Defining the internal knowledge for each employee individually.						
9	Motivate participation in knowledge via incentive methods.						
10	The tangible work environment facilitates knowledge sharing. .						

Comments (for all paragraphs).....



**APPENDIX 2: STUDY INSTRUMENT CONSTANCY**

<b>Study Instrument Constancy (The Comparison)</b>			
<b>Constancy</b>		<b>Variables</b>	<b>Main Axis</b>
<b>Axis</b>	<b>Variables</b>		
0.94	0.85	Organizational component	The extent of availability of knowledge management strategy requirements
	0.83	Human component	
	0.85	Cultural component	
	0.86	Technological component	
0.93	The extent of the organization progress in applying knowledge management.		
0.65	The effect of knowledge management application on facing modern management challenges		
0.78	Introductions to knowledge management application		
0.85	<b>Gross constancy</b>		

### APPENDIX 3: ANALYTICAL CONTENT MODEL FROM THE INSTITUTIONAL & RATIONAL PERSPECTIVE

Factor	The institutional perspective	The rational perspective
Environment	Institutional environment Involuntary behavior	Technological environment Voluntary behavior
Main requirement	Legitimacy	competency
Organizational behavior context	Conformity with the group mores Compliance with rules & mores Customs & traditions Invisible pressures Conformity	Market kinetic process Technological activities creativity visible pressures adaptation to environment
Organizational behavior motives	Social legitimacy Submission to & compliance with external standards	competency Efficiency Competition advantage increase of revenues generating resources minimizing uncertainty
pressures on behavior	Compulsive pressures Normative pressures Tradition pressures	Competitive pressures
Objective of behavior	Justification of strategic options	Glorifying the benefit of strategic options
Major actors	Government Public Opinion Vocational associations	productivity
Organizational success factor	Compliance with institutional standards & rules	Acquisition & control over vital resources
Nature of decision process	Normal & customary Integral part of customs & traditions	Regular & planned Oriented toward efficient achieving of targets
Main behavior obstacles	Historical, normative context	Knowledge uncertainty
Nature of fixed costs	Cognitive	Economic

Source: "Strategic Responses to Institutional Processes" by Oliver, Christine. 1991. The Academy of Management Review, 16(1): 147

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