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THE MODERATING ROLE OF ORGANISATIONAL TRUST AND ORGANISATIONAL SUPPORT ON THE RELATIONSHIP BETWEEN KNOWLEDGE MANAGEMENT AND THE PERFORMANCE OF ORGANISATIONS IN ABU DHABI, UAE

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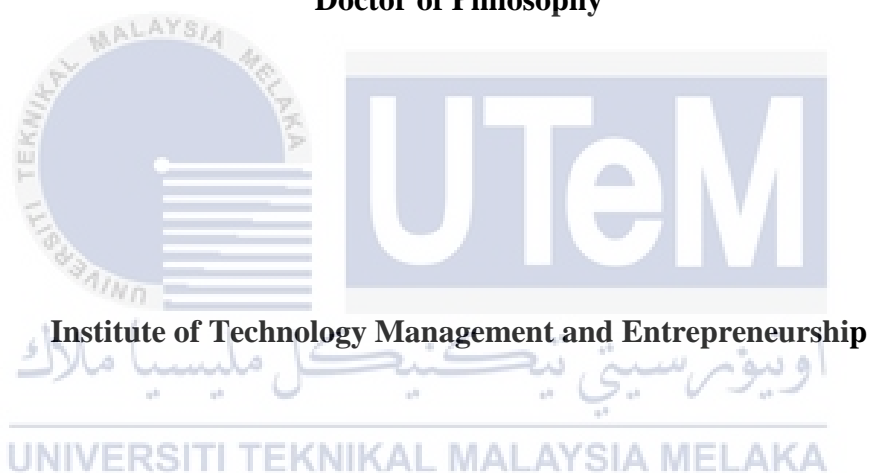
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A thesis submitted in fulfillment of the requirements for the degree of Doctor of Philosophy

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2023

DECLARATION

I declare that this thesis entitled "The Moderating Role of Organisational Trust and Organisational Support on the Relationship Between Knowledge Management and the Performance of Organisations in Abu Dhabi, UAE" is the result of my own research except as cited in the references. The thesis has not been accepted for any degree and is not concurrently submitted in candidature of any other degree.
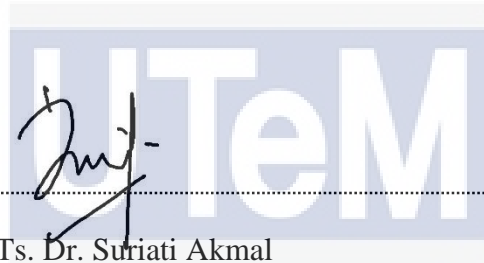
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APPROVAL

I hereby declare that I have checked this thesis and in my opinion, this thesis is adequate in terms of scope and quality for the award of the degree of Doctor of Philosophy.

Signature   :

Supervisor   :
Name   Ts. Dr. Suriati Akmal

Date   :   29 July 2023

DEDICATION

This thesis is dedicated to my family and the United Arab Emirates for the endless support
during my life and the journey of writing this thesis.

ABSTRACT

Studies pertaining to the organisational performance of large-scale organisations focused on factors that can be extracted from annual reports and used mainly financial indicators. Knowledge management (KM) has not been adequately investigated in the literature, especially in developing countries. The purpose of this study is to investigate the moderating effect of organisational trust and organisational support on the relationship between KM and the performance of organisations in Abu Dhabi, UAE. The population of this study is made up of large-scale organisations in the United Arab Emirates (UAE). A purposeful sampling technique is deployed in this study. The data is collected using a questionnaire. A total of 412 private organisations in the UAE have participated in this study, with a response rate of 76%. Data is analysed using Statistical Package for Social Science (SPSS) and Smart Partial Least Square (Smart PLS), which are embedded in Structural Equation Modeling (SEM). The results confirm that the KM process and KM infrastructure have a positive effect on organisational performance. Organizational trust and organisational support moderate the effect of KM processes and KM infrastructure on organisational performance. The study contributes to the knowledge management literature by developing a theoretical model of knowledge management based on underlying dimensions of process and infrastructure. From the managerial viewpoint, this study provides a valid and applicable model for organisations to enable the implementation of KM supported by trust and support by the organisation to improve organisational performance among executives in the organization, especially the local workers. Practical contribution indicates that creating sustainable performance through better understanding of the role of the knowledge management capability of employees in improving organisational performance. An important implication of this study for the government of the UAE is enhancing the creation of an organisational environment that supports the sharing, acquiring, applying, and protecting of knowledge for the betterment of organisations.

PERANAN PENYEDERHANA KEPERCAYAAN ORGANISASI DAN SOKONGAN ORGANISASI KE ATAS HUBUNGAN ANTARA PENGURUSAN ILMU DAN PRESTASI ORGANISASI DI ABU DHABI, UAE

ABSTRAK

Kajian yang berkaitan dengan prestasi organisasi syarikat berskala besar difokuskan pada penggunaan faktor-faktor yang dapat diambil dari laporan tahunan dan digunakan sumber utama petunjuk kewangan. Pengurusan ilmu (KM) belum dikaji dengan baik dalam sorotan kajian dan terutamanya di negara-negara membangun. Tujuan kajian ini adalah untuk mengetahui kesan penyederhanaan kepercayaan organisasi dan sokongan organisasi terhadap hubungan antara KM dan prestasi organisasi di Abu Dhabi, UAE. Populasi kajian ini adalah syarikat berskala besar di Emiriah Arab Bersatu (UAE). Teknik pensampelan bertujuan digunakan dalam kajian ini. Data dikumpulkan menggunakan borang soal selidik. Soal selidik tersebut diemailkan kepada 412 syarikat swasta di UAE dengan kadar tindak balas 76%. Data dianalisis menggunakan Pakej Statistik Sains Sosial (SPSS) dan *Smart PLS*, yang bersepadu di dalam Pemodelan Persamaan Struktur (SEM). Keputusannya mengesahkan bahawa proses KM dan infrastruktur KM mempunyai kesan positif terhadap prestasi organisasi. Kepercayaan organisasi dan sokongan organisasi menyederhanakan pengaruh proses KM dan infrastruktur KM terhadap prestasi organisasi. Kajian ini menyumbang kepada literatur pengurusan ilmu dengan mengembangkan model teori pengetahuan pengurusan berdasarkan dimensi proses dan infrastruktur. Dari sudut pandangan pengurusan, kajian ini memberikan model yang sah dan boleh diguna pakai untuk organisasi bagi membolehkan pelaksanaan KM yang disokong dengan kepercayaan dan sokongan oleh organisasi untuk meningkatkan prestasi organisasi di kalangan eksekutif di syarikat terutamanya pekerja tempatan. Sumbangan praktikal menunjukkan bahawa mewujudkan prestasi lestari melalui pemahaman yang lebih baik mengenai peranan kemampuan pengurusan ilmu pekerja dalam meningkatkan prestasi organisasi. Implikasi penting kajian ini kepada pemerintah UAE adalah meningkatkan penciptaan persekitaran organisasi yang menyokong perkongsian, pemerolehan, penerapan dan perlindungan pengetahuan untuk peningkatan organisasi.

ACKNOWLEDGEMENT

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

xii

CHAPTER 1

INTRODUCTION

1.1 Background

Soelton *et al.* (2021) stated that organisational performance is concerned with the processes that must be carried out to ensure optimal performance. It has been one of the most studied dependent variables during the past three decades due to the fact that organisational performance is a key economic indicator and affects gross domestic product (GDP), the unemployment rate, and foreign direct investment (FDI) (Shah and Jan, 2014). On the other hand, the weak performance of organisations such as large privately owned organisations are a sign of a crisis in the economy. The world has witnessed the financial collapse of some major organisations in the United States (US), which led to slow economic growth, an increased unemployment rate, and ultimately the financial crisis in the world (Elyasiani *et al.,* 2014).

Prior studies have been dominated by the secondary data strategy, which is mostly based on historical financial indicators connected to a specific period and does not provide any insight into future organisations' performance (Kaplan and Norton, 1996). The majority of these studies focus on the effects of factors that are extracted from annual reports. These factors include Chief Executive Officer (CEO) duality and succession, organisation size, board size, gender, board diversity, capital structure, and corporate governance (Hasan and Butt, 2009; Nguyen *et al*., 2014; Zabri *et al*., 2016).

1

In the past thirty years, knowledge management (KM) has gained a lot of prominence. The benefits that economies and organisations can get by controlling their knowledge are primarily to blame for this (Grant, 1996; Abualoush *et al.,* 2018). According to the knowledge-based perspective hypothesis, managing knowledge effectively will result in a superior competitive advantage and eventually higher organisational performance. Knowledge is viewed as an organization's most valuable asset (Abubakar *et al.,* 2019). According to the knowledge-based perspective philosophy, KM is the process of exchanging, producing, managing, and utilising information and knowledge inside an organisation (Soniewicki, 2015). It is a multidisciplinary strategy for achieving organisational goals by making the best use of knowledge (Hislop *et al*., 2018).

The study of KM can be traced back to the 1990s. Pieces of evidence from the literature support the effective function of KM in achieving better administrative outcomes. This includes several outcomes such as improving the innovation of the organisations (Inkinen *et al.,* 2015; Ode and Ayavoo, 2019), better and more informed decision-making (Bharadwaj *et al*., 2015; Abubakar *et al*., 2019; Antunes and Pinheiro, 2020), and faster responses to changes in the market (Kahreh, 2011; Tseng, 2014; Byukusenge *et al*., 2016; Farooq, 2019). The KM capability model, developed by Gold *et al*. (2001), is one of the most prominent models in KM (Mao *et al*., 2016). The authors pointed out that KM capabilities can be divided into KM infrastructure and KM processes. The knowledge protection, conversion, application, and acquisition processes are all part of the KM process, whereas the infrastructure comprises the technology infrastructure, structure, and culture.

2

These two capabilities constitute the KM capabilities, and they have been linked to several outcomes such as increasing the competitiveness of the organisation, innovation, and new product development, as well as better organisational performance (Mills and Smith, 2011; Ha *et al.*, 2016; Mao *et al.*, 2016). Gold *et al.* (2001) indicated that the two capabilities together form the KM capabilities. However, later studies focused either on the KM process (Wu and Chen, 2014; Liu and Deng, 2015; Abusweilem and Abualoush, 2019) or the capacities of the infrastructure (Tubigi and Alshawi, 2012; Abualoush *et al.*, 2018). Only a few studies have investigated the impact of both capacities and compared their effects on organisational performance (Mills and Smith, 2011). Previous studies also used these capabilities either as mediators or moderators, while a few limited studies examined the direct effect of these capabilities (Nguyen *et al.*, 2019; Payal *et al.*, 2019; Rehman and Iqbal, 2020; Shehzad *et al.*, 2021).

The United Arab Emirates (UAE) and other Gulf Cooperation Council (GCC) nations, including Qatar, Saudi Arabia, Kuwait, Bahrain, and Oman, heavily rely on foreign consultants and specialists because the local human capital does not have the essential management capabilities to run the local organisations. Due to the high reliance on foreign workers and the localization goal to exclusively hire locals, there is a possibility that they could lose knowledge if they leave the company or the nation. Keeping and applying information in local organisations has become crucial for the nation and organisations as a result (Biygautane and Al-yahya, 2011; Dubai School of Government, 2011).

This study analyses the KM and organisational performance of sizable privately owned businesses in Abu Dhabi, United Arab Emirates (UAE). Due to the several economic crises that affected local businesses and forced drastic labour reductions and

3

reorganisations, the UAE and these organisations were chosen (Arabian Business, 2017; Gulf News, 2017). Researchers asserted that organisations lose resources and capacities as a result of downsizing because human knowledge and expertise are lost. This supports the resource-based view (RBV) paradigm, which asserts that downsizing would have an adverse effect on organisations' resources and capabilities (Zorn *et al*., 2017).

Additionally, KM was used in the UAE prior to 2008 (Boumarafi and Jabnoun, 2008; Siddique, 2012; Project Management Institute, 2015). As a result, the UAE government launched the Vision of 2021, which intends to transition the country to a knowledge-based and diversified economy (UAE, 2018). In an effort to strengthen their competitive position with cutting-edge services and products in the UAE's increasingly globalised economic climate, the government initiatives aim to inspire and push private organisations to investigate knowledge management (KM) theory and practise (Siddique, 2012).

Researchers suggested including mediating and moderating variables to have a better comprehension of the impact of KM on organisational performance (Chuang *et al*., 2015). However, in the management context, trust is a new variable, and research on the topic is still scarce (Botwe *et al*., 2016; Wang *et al*., 2014). Prior research has concentrated on trust's indirect and direct effects (Wat and Shaffer, 2005; Kath *et al*., 2010; Niu, 2010; Yoon *et al*., 2016), while few have investigated its moderating effect.

Although it receives less attention in the KM environment, organisational support is another crucial aspect in the literature. According to social exchange theory (SET), trust and organisational support are key signs of social exchange (Hur *et al*., 2015), as they inspire workers to act in ways that boost their performance, commitment,

and involvement (DeConinck and Johnson, 2009). Similar to trust, little research has looked at how organisational support might act as a moderator (Zheng and Wu, 2018). Investigating the moderating effects of these two variables is the purpose of this study.

Consequently, the goal of this research is to examine the moderating effect of organisational trust and organisational support on the relationship between KM and the performance of organisations in Abu Dhabi, UAE. The KM components include knowledge sharing, knowledge acquisition, knowledge protection and application, structure, culture, technology infrastructure, and KM human resources. In addition, organisational performance includes financial indicators, internal business processes, and customer satisfaction.

1.2   Problem Statement

In the United Arab Emirates (UAE), there has been a tremendous desire for excellence over the past 15 years (Waal, Mroueh, and Schiavo, 2017). Organizations in the UAE, however, face intense regional and international rivalry. The Ministry of Economy reports that there were 475,000 organisations registered in the nation in 2016, an increase of 13% from 2015. (Ministry of Economy, 2017). To remain relevant in their context, local organisations must boost their performance and sharpen their competitiveness. According to news reports, businesses are restructuring and reducing their workforces as a result of rising costs and intense competition (Gulf News, 2017; Arabian Business, 2017).

Until today, the UAE heavily relied on foreign experts to manage organisations. There is increasing knowledge loss due to the exit of these individuals and their leaving the country, which may have an impact on work quality as well as staff productivity

5

and ultimately affect organisational performance (Biygautane and Al-yahya, 2011; Dubai School of Government, 2011). In the meantime, Khalife (2016) also reported that downsizing in the UAE is high. Not only that, but the turnover intention among employees is higher than in other regional countries, such as the Gulf Countries Council (GCC), and above the universal average (Nair, 2017).

Leaving the job in the UAE has caused knowledge loss and affected the organisational performance of organisations, which spend more than US$ 2.7 billion annually to cover the direct and indirect costs of turnover among employees (Khalife, 2016). The main reason for leaving the job is a lack of trust and weak organisational support in terms of salaries and rewards that employees gain from their employers (Al-Gamrh *et al.*, 2020; Ababneh, 2020; Zeffane and Melhem, 2017).

The above situation shows the necessity to understand further the organisational performance in the UAE context. As stressed by AlShehhi *et al.* (2021), the organisation's performance needs to be measured with sufficient indicators in many sectors, and that is a gap in the previous research. AlShehhi *et al.* (2021) noted that empirical research is tightly focused and that their investigation into organisational performance is restricted to a single country or a small area within a country based on a survey of the literature. Numerous businesses from various fields are looked into in some studies (Zhang *et al.*, 2008). However, in some research on organisational performance, only one industry is looked at (Prajogo & McDermott, 2011), and in some instances, only one business is looked at (Xenikou & Simosi, 2006). When the study is implemented in the UAE, where a very small number of research studies on organisational performance are undertaken and limited to a certain industry, this research gap becomes more apparent (AlShehhi *et al.*, 2021).

6