

The Extent of Knowledge Management Application and its Effect on Strategic Decision Making in the Jordanian Governmental Sector

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The broad field of knowledge management KM introduces new options, capabilities, and practices that can impact and assist governmental sector to great advantage. It becomes a new responsibility for governmental sector to manage knowledge to strengthen the effectiveness of governmental sector and improve the society it serves. The goals of KM are to improve the effectiveness and sustained viability of the enterprise—be it a commercial corporation, a part of society, a country, or a single individual. Therefore, this study presented an integrated approach for supporting knowledge-based decision making, aiming at “bringing together” decision makers holding complementary knowledge. Accordingly, this study attempts to identify the extent of Knowledge management application and its effect on strategic decision making in the Jordanian governmental sector. This involves the investigation of how KM processes and its critical elements are identified and being addressed and implemented within the Jordanian governmental sector.

The importance of this study emerges from the fact that there is a little written about KM application in Jordan in particular and the Arab world in general. However, this study is the first one to investigate the extent of knowledge management application and its effect on strategic decision making in the Jordanian governmental sector.

This study consisted of three types of variables: (dependent, moderating and independent variables) the dependent variable is decision making at the Jordanian governmental sector. The moderating variable is demographic variables (age, gender, educational qualification and years of experience). Finally, the independent variable (Knowledge Management Application) which is represented by: (Knowledge Creation, Knowledge Acquisition, Knowledge Storage, Knowledge Transfer and Knowledge Utilization). The variables of the study have been operationally defined as the following:

- 1) **Knowledge Management Application:** is the overall task of managing the processes of knowledge acquisition, creation, utilization, transfer and storage. (Gupta, 2000)
- 2) **Knowledge Acquisition:** Knowledge acquisition refers to the process which all organizations seek to obtain knowledge from various sources. (Abu Qubah, 2005).
- 3) **Knowledge Creation:** Knowledge creation demonstrates the organization's ability to develop new and creative ideas and solutions by restructuring knowledge which can create new interpretations that assesses its ability to solve existing problems in more efficient ways. (Al – Momani, 2005).

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- 4) **Knowledge Storage:** It is the process of storing the knowledge by documentation storage is known as the organizational memory, which can be classified into two types: verbal memory which refers to classified explicit knowledge such as the organization archives, annual report and so forth. Second type is accidental memory, which refers to knowledge that is linked to a specific situation in a specific context, such as making a particular decision.(Al – Momani, 2005).
- 5) **Knowledge Transfer:** refers to the activities that are associated with the flow of knowledge from the source to the target (Begbie & Chudry, 2002).
- 6) **Knowledge Utilization:** Knowledge utilization includes the activities and events that exploit knowledge in ways that improve organizational processes. The knowledge management does not have any value if knowledge created is not utilized to its potential. (Begbie & Chudry, 2002).
- 7) **Strategic Decision Making:** strategic decisions are those fundamental decisions that shape the cause of an organization, in other words, the decisions which are "important, in terms of actions taken, the resources committed, or the precedents set" (Mintzberg , 1976). They are the infrequent decisions made by the top leaders of an organization that can affect its performance or even its survival.

The population of the study consists of all managers within the Jordanian ministries due to the importance of this sector in the economic activity of the country. Because of the very huge size of the above mentioned population and time limitation; the researcher chooses four ministries as a study population due to their importance in IT usage. Thus, study population consisted of all managers at those ministries (400 managers), and because the size of the study population is not large, the study sample is the same of the study population. The study utilized many types of statistical methods using Statistical Package for Social Sciences (SPSS) to describe sample and test the proposed hypotheses. Data has been collected via questionnaire, utilizing a five point Likert scale ranging from "1 = Never happen" to "5 = Always happen". The questionnaire was tested for content validity and the items have been assessed by six academic referees from different Jordanian Universities, whose knowledge and experiences were sufficient in the field of KM and strategic decision making. The questionnaire was modified according to their comments and suggestions. To test the reliability of the instrument, items were evaluated for their internal consistency through the Cronbach' s Alpha, which based on the average inter-item correlation. The higher the Cronbach' s Alpha values, the greater is the internal consistency of the items making up a composite measure (Litwin, 1995). Reliability less than 60% are generally considered to be poor, those in the 70% range to be acceptable (Sekaran, 2003). Study variables coefficient were measured and the Cronbach-Alpha values for the study variables were between (73%-84%), which means that instrument is reliable.

The result of this study indicated a moderate to high level of KM application in the Jordanian governmental sector. Al- Momani (2005) indicated that the knowledge management is not applied as comprehensive approach in all Jordanian organizations. Abu Qubah (2005) mentioned that the Centralized ministries apply knowledge and information management programs and systems. Cheng (2005) found that KM application in Taiwanese governmental sector is high, and investment in knowledge and information infrastructure is growing in step. Moreover, the result of this study indicated a moderate to high level of KM

application in the Jordanian governmental sector. On the other hand, the result of this study indicated that there is statistically significant effect at ($\alpha = 0.05$) of knowledge management application on strategic decision making in the Jordanian governmental sector. KM application and strategic decision making were significantly and positively correlated ($r=0.63$).

Further, the results of this study indicated that there are statistically significant effect of knowledge management application and its dimensions on strategic decision making in the Jordanian governmental sector, this was consistent with the results of previous studies; Abu Qubah (2005) concluded that the knowledge and information systems improve the decisions making process and contribute for activating communication and coordination processes among workers and organizational departments in the centralized ministries. Brockmann (2002) found that tacit knowledge is not easily recognized or acknowledged, but it can be a key factor in enhancing the quality of strategic decisions made by the top management team. Chuang (2004) confirmed that KM capability is significantly related with competitive advantage.