

UNIVERSITI TEKNOLOGI MARA

**THE RELATIONSHIP OF KNOWLEDGE
MANAGEMENT, ORGANIZATIONAL
CAPABILITIES AND HOTEL
PERFORMANCE: THE MODERATING
EFFECT OF WORKPLACE SPIRITUALITY**

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ABSTRACT

Knowledge management has always been an important factor to organizations to sustain competitive advantages. It has become the main focus area for researchers with various perspectives and contexts. Thus, the researcher has tried to investigate which factor of knowledge management influences performance as well as organizational capabilities that mediate the relationship between knowledge management and hotel performance. This study has also attempted to answer one part of the previous researchers' suggestions. The researcher believed that workplace spirituality is an encouragement for implementation of knowledge management and other organizational capabilities in the organizations for better performance. This research focusses on hotel industry in Malaysia as part of the hospitality and tourism industry that contributes to the nation's GDP (Gross Domestic Product). The unit of analysis was the organization and top management from three, four and five-star hotel nationwide representing their organizations. An e-survey was conducted to collect the data. A total of 269 questionnaires were distributed and 148 questionnaires were returned and used for further data analysis. Statistical Package for the Social Science (SPSS) version 23 and Partial Least Square Structural Equation Modeling (PLS- SEM) were used to analyze the data. The findings of study revealed that knowledge management and organizational capabilities have positively direct influence on endogenous variable. Organizational capabilities have positively shown to mediate between knowledge management and hotel performance. The result also showed that workplace spirituality plays a moderating role in the relationship between knowledge management and organizational capabilities. In addition, this study has also highlighted the contributions to theory, literature and practice.

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CHAPTER ONE

INTRODUCTION

In this chapter, Section 1.2 presents the background of the study, while Section 1.3 discusses the background of the tourism industry. Meanwhile, Section 1.4 explains the statement of the problem and Section 1.5 presents the research questions. Besides, Section 1.6 presents the research objectives of this study and Section 1.7 explains its significant contributions. Finally, Section 1.8 exhibits the definitions of key terms used in the study structure.

1.1 Background of the Study

Today's organizational survival requires multiple capabilities, particularly knowledge regarding current market and customers as well as innovation (Huang & Huang, 2020; Lee, 2016). Industrial Revolution or commonly known as IR 4.0 has become an important phase for organizations in knowledge management and decision making, particularly relating to human and technology in terms of sustainability (Urban & Matela, 2022; Muafi, 2020; Abu Bakar, Elrehail, Alatailat & Elci, 2019; Ansari, 2019). Digital technologies have risen too fast, changed business landscape and opened new market which compete with different models in certain industries, such as Airbnb with accommodation industry, which means looking for competent knowledge to survive and perform effectively (Antunes & Pinheiro, 2020; Hock-Doepgen, Clauss, Kraus & Cheng, 2020). Thus, the organizations are able to implement continuously and effectively with the current business environment to become competitiveness organizations (Gomes, Seman, Berndt & Bogoni, 2022; Dukeov, Bergman, Heilmann & Nasledov, 2020) through the information system to improve their service as well as reducing the costs (Putra, Rahayu & Putri, 2021).

However, Albassam (2019) pointed out that one should not only focus on industries, but need also to focus on countries. This is because countries must have effective knowledge management system to maintain sustainability. In addition, developed countries have high knowledge-based development which provides advantages as compared to those in developing and less developing countries. Hamzah, Othman and Hassan (2020) found that economic situation in the country, such as