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An Assessment Of The Relationship Between Knowledge Management And Strategic Sustainable Development In Small Scale Companies In Kurdistan Region Of Iraq

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Abstract

The notion of sustainability is most important phenomena in the modern world as changes are noticed in the business models due to knowledge management systems. This article gives an analysis of the link between knowledge management and sustainable development of small and medium business enterprises. This research is quantitative research study and the data was collected randomly from 75 small to medium enterprises in the hospitality industry. A standardized questionnaire was used to gather information from hoteliers. Regression and correlation of the variable was used to analyze the relationship of sustainable development and knowledge management.

The findings are also very useful in understanding knowledge management system in relation to sustainable business of small businesses. Moreover, the research identified the roles played by human resources management in implementing knowledge management programs for employees. Furthermore, the study reviewed that sustainable development of small business is determined by the knowledge acquired, sharing, experiences, resource utilization, competences, and societal cohesion. Individuals' capacity to harness the ideology of sustainable development depends with understanding the aspect of sustainable development dimensions which consists of social process of learning, personal experiences and knowledge.

Hospitality business that adopted the idea of embracing the concept of applying knowledge management systems and processes in small business requires some elements of applying principles of sustainable development to enhance sustainable competitive advantage. Moreover, providing information about the importance of concentrating on knowledge management system in small business facilitated sustainable development of society through managing viable business that value all stakeholders.

The study has a significant effect to the development of viable small and medium enterprises model that are sustainable in nature through harnessing knowledge management practices which embrace some changes in business operations, customers' preferences and experiences. Practically, small hospitality businesses require more knowledge management processes that ensures continuous satisfaction of customers in order to achieve sustainable business operations.

Keyword: Knowledge, Knowledge Management, Sustainable development, Business

1.Introduction

Organizational survival and achieving a competitive advantage is determined by leveraging on knowledge management practices. Business that embark on knowledge resources development

have high chances of achieving their goals. Small and medium enterprises adopted the system of knowledge management and developing business models that are viable but they are still facing challenges in attaining their goals than achieving the intended knowledge management results. The study of the knowledge management capacities in achieving a sustainable business development models that are viable in the long run motivated the researcher to deliberate on the knowledge gap created by the two notions.

The merits of enabling the sustainability of the small business have the ripple effects to economy, social cohesion and environmental situations. Furthermore, most of the countries in the world recognize the space occupied by small business in attaining economic development and enforcement of social harmony for both the present and the future generation (Cong et al, 2003). On the other hand, the complexity of the large enterprises has an adverse effect to the adaption of knowledge management systems as compared to small and medium enterprises whereby systems and structures allows knowledge management goals and purpose to be achieved facilitated by flexibility and nimbleness.

Knowledge management systems and sustainable management are very essential concepts in developing viable business models for small business. Moreover, organizational competitiveness can be sustained through employment of effective knowledge management capability, infrastructure and process. In most cases small to medium organization's capability of striking a balance through deployment of culture, technology and infrastructure in order for acquiring and creating adequate knowledge that sustains business operations (Alavi et al, 2001). Through some noticeable changes in the business environment small business are benefiting direct from adapting to knowledge management practices. The impact of acquiring knowledge is linked to the business profitability and productivity.

The infrastructural capability consists of three elements namely, culture, technology and structure, have an effect to the implementation of knowledge management in small business. These three elements determine the success implementation of knowledge management in business operations. Knowledge management system succession is determined by financial capital of every company (Ming -Chang, 2017).

Social capital played a crucial role in knowledge sharing through interaction and connections with peers and other influential people in the organization. All stakeholders can facilitate knowledge sharing thorough networking and communicating with people. Small and medium enterprises have the capacity of processing knowledge through integration of organizational resources for knowledge acquisition, application, protection, and conversion (Abubakar et al, 2019).

Another aspect that should be mastered and monitored in knowledge management is technological capability. Small and medium enterprises have adopted ways of using technology in their business models for growth and product development (McElroy, 2003). Technology have been embraced in small business as a strategy for increasing market share and improving provision of services and products. Technology fits well in knowledge management as it regarded as a dynamic system whereby different software are developed to enhance a sustainable development practice (Chakori 2017).

2. Theoretical Background

2.1 Knowledge management and sustainable development

In most theoretical evidence the role played by knowledge in ensuring sustainability is recognized, combined with some empirical support for sustainability planning activities for the small and medium enterprises. The adoption of sustainable practice was simplifying by Roxas and chadee through analyzing knowledge management concept from the perspective of orientation knowledge management (Loorbach, 2010). Dimensions of knowledge management is important for the sustainable development practice in small and medium enterprises (Lapworth et al 2018). From the previous researches knowledge management is linked to sustainable development facilitated by the behavior of obtaining, creation, exchanging, directing and aligning the knowledge of organization in relation to adopted processes and practices. (Bostrom, 2012)

2.2 Sustainable development and training

Sustainable development notion for the society development can be articulated through considering the following aspect education, teaching and learning (Elkington 1994). The ability to be competitive globally dependent on the capability of the citizens in acquiring knowledge effectively. Knowledge can be acquired through formal and informal ways depending on the personal abilities of increasing qualifications. According to Ausra (2005) articulated that analyzing four perspectives of knowledge economy namely: Learning perspectives can be differing from the education institutions perspective of sustainable development (Batista et al 2018). Labor market perspectives in relation with the socio-cultural factors of country have an impact to sustainable development (Folke et al, 2002). Moreover, education policy perspectives that focusses on human capital development. Lastly the wide knowledge economy perspectives considering innovation system and information society awareness (Kamarova et al 2018).

Moreover, it is very essential to study these three areas in sustainable development namely economy, society and environment (Sutopo et al, 2018). Sustainable development has a strong effect to the country's economy, society and environment due to the fact the small and medium enterprises viability depends on the country's economic performance (Tutak et al 2017). It also noticed that sustainable development is identified by the development of the countries communication infrastructure, environmental protection and human development as well as the economic development (Daly et al 1996). On the other hand, environmental sustainability consists of some system of conservation and maintenance of natural environment by managing waste and efficiently implementing organization practices that governs the environment (Soliman, 2018). Social sustainability takes into account the issues of social cohesion and quality of the society in supporting business development through incorporating every aspect of human protection (Ajmal 2018)

2.3 Resources Based View Theory

Knowledge management and sustainable development of Small-medium enterprises incorporate the element of using resources for achieving profit and competitive advantage. Internal resources and accumulation are key elements that determines the success of these small companies. Considering the theory (RBV) is essential for achieving sustainable advantage over the competitors (Barney, 1991). RBV reiterates the importance of having human resources or capital as valuable resources that are rare and imitable. Valuable resources are critical tools in obtaining competitive advantage and exploiting strategic competitive advantage. These unique resources play integral role in sustaining small business during economic recession or in a very competitive market. SMEs business models of harnessing competitive advantage by strategic resources alignment in achieving goals and sustainable development (Halawi et al, 2005).

Moreover, proper utilization of strategic resources facilitates integration of notion of business development that are achievable and enhance a sustainable competitive advantage. RBV theory enhance SMEs to realize their potential by harnessing business opportunities for translating theoretical elements to reality through converting resources to tangible direct benefits. Furthermore, RBV theory states that firms consider their assets both tangible and intangible and capacity for achieving goals that a sustainable. On the other hand, RBVs excluded environmental conditions, policies, natural environment, socio-cultural factors (Ciegis et al, 2007)

2.4 Knowledge Management and Small-Medium Enterprises SMEs sustainability

The significant of knowledge management to small-medium enterprises (SMEs) was examined. A structured survey was used to collect primary data from employees of Small- Medium Enterprises. There is a significant change in the environment that is sounding business due to continuous improvement in the business development (Kruja, 2018). There is systemic different in the aspect of the business development especially the small to medium enterprises Philippovich et al (2019). Knowledge management play an essential role in the continuous changing economy by fostering necessary business adjustment and survival strategies (Amin et al, 2012).

On another hand knowledge management is important for increasing the effectiveness of small and medium enterprises operations and strengthen the competitive advantage in the sector

(Gavurova et al, 2017). Small and medium enterprises which incorporate some strategies of sustainable development have the potential to grow and compete with big organizations. (Zastempowski et al 2016).

Knowledge management encourages successful use of technologies in processing data and information as well as people creativity (Doane et al, 2001). Furthermore, a continuous growth of business is noticeable due to the changes in the business models that nurture economic development and easy penetration in the market by creating addictive competitive value (Abdi et al, 2015). Knowledge acquired in the organization should be presented and processed publicly. Koskenkorva. H (2019) reiterates that knowledge management consists of creating a conducive environment for knowledge process that is continuous for business development and systematic management. Knowledge management practice has a positive influence in advancing business innovation through knowledge transformation into knowledge acquisition and sharing in the organization (Akram et al, 2011)



Fig 1:Research Concept Framework

3. Research Questions

a. What is the relationship between knowledge management and sustainable development?

4. Data and Methods

The primary data was collected from the respondents through distribution of questionnaires to the small to medium enterprises companies of less than 50 employees and managers. This research is a quantitative research method which includes statistical information for analysis. The questionnaires were administered online and in person delivery depending with accessibility of some areas. The respondents were encouraged to remain anonymous in order to avoid common method bias that causes distortion of the overall outcome of the research. 64 respondents managed to complete the questionnaire out of 75 questionnaires distributed to 15 small to medium enterprises namely cafes, restaurants and bars targeting 5 respondents from each selected company.

5. Results

The researcher conducted a random sampling method for selection of companies and employees.

Respondents demographic analysis

Gender

Gender statistics of the respondents is as follows 64% of male respondents being dominating in the small and medium enterprises compared to 36% of female respondent.

Age groups of respondents

The respondent provided their age group from the age 25 to 34 with 44% respondents followed by the age group 35 to 44 with 17%, then 45 to 54 with 11% and there is only 1 respondent who completed the questionnaire. Most of the people who are dominating the small and medium enterprises are young people or active age group from the age of 25 to 34.

Education qualifications

Education plays a very crucial role in the development of operation of small to medium enterprises. Meanwhile, most of the respondents are holders of a diploma qualification 42% them followed by holders of degrees 25%. Furthermore, there is one person or respondent with a PhD qualification among the respondents.

Years of experience in the hospitality industry

The respondents provided years of experience that they went through in their career. Most of the respondents worked for 2 to 5 years with the highest percentage of 36 % followed by 30%

for the age group ranging from 6 to 9 years. Lastly, they are very few who worked for more than 14 years in the sector with a 6% respondents.

Occupation of the respondents

Respondents were asked to indicate their occupations, to ensure a balance of analyze of the participants. Furthermore, 56% supervisors participated in this research were many as compared to other occupation like subordinates 20% followed by Managers 17% and lastly directors 6%

Descriptive statistics of variables Knowledge management and sustainable development

Table 1: Organizational Knowledge Management

Descriptive Statistics

	N	Minimum	Maximum	Mean	Standard Deviation
Knowledge management benefits	64	1.00	6.00	3.8594	1.48930
Role in sustainable development	64	1.00	6.00	3.4687	1.41386
Systematic discipline	64	1.00	6.00	2.7500	1.50132
Role in facilitating	64	1.00	6.00	3.9062	1.51939
Facilitate discovery & capturing	64	1.00	6.00	4.1719	1.32802
Specific knowledge needed	64	1.00	6.00	3.4531	1.68965
Knowledge not directly available	64	1.00	6.00	3.5156	1.67135
Encouragement of documentation	64	1.00	6.00	3.5000	1.59364
Mandatory deposition	64	1.00	6.00	3.9375	1.48938
Valid N	64				

Knowledge management is benefiting in our organization with a mean of 3.8 and standard deviation of 1.5. The mean is more than 3 it shows that knowledge management is being implemented in the companies to ensure viability.

Knowledge management plays a very significant role in sustainable development of companies as the results shows a mean of 3.5 and a standard deviation of 1.4. The respondents were acknowledging the usefulness of knowledge management in ensuring a proper approach to sustainable development. The above results supported Hamel (2005) mentioned that knowledge management is the most powerful tool in ensuring sustainable development.

The results obtained reiterate that knowledge is not a systematic discipline to empower organization: mean 2.8 and a standard deviation of 1.5 The respondents disagree with the notion of perceiving knowledge management as a systematic discipline in empowering organization development and success. In most companies’ knowledge management facilitated the discovery and capturing of information with a mean of 4.2 and a standard deviation of 1.3. knowledge is acquired through knowledge management process that facilitate dissemination, acquisition and sharing information in organizations.

Facilitation of knowledge in the organization is very essential for enhancing storage and retrieval of information. This research seeks to discover the if organizations have a system of ensuring storage and retrieval of information through knowledge management. The results are favorable that depicts a mean of 3.5 and a standard deviation of 1.6. The mean is above average it shows that most of the respondents agreed that knowledge management involves the aspect of storage and retrieval of knowledge in short knowledge documentation.

There is a specific knowledge needed for effective management of knowledge resides with experts or colleagues mean 3.4 and standard deviation of 1.7. Results shows that most of the respondents supported the notion of sharing knowledge among experts and colleagues. However, there is also a certain group of respondents who disagree with the same idea.

Respondents sought knowledge not directly available in the organization is represented by a mean of 3.4 and a standard deviation of 1.7. Most of the respondents agreed that the statement

is practical to the organization’s operation. Organizations encourages the aspect of documentation of lesson learnt during knowledge management represented by a mean of 3.4 and a standard deviation of 1.6. many organization emphasizes the system of recording and documentation of knowledge learnt for ensuring smooth operation and revisiting of the notes.

Meanwhile, organizations mandatory deposition of key documents in the library has a mean of 3.9 and a standard deviation of 1.5. The findings show that companies have got a system of keeping key documents in the library for easy access to all employees.

Table 3: Sustainable development

Descriptive Statistics

	N	Minimum	Maximum	Mean	Standard Deviation
Achieving sustainable development	64	1.00	6.00	4.3281	1.30997
Prerequisite for furthering sustainable development in modern society	64	1.00	6.00	4.1719	1.45356
An organic part and patent	64	1.00	6.00	4.3125	1.23282
Requires wholesome approach	64	1.00	6.00	4.1875	1.41281
Valid N	64			3.5938	1.73405

Knowledge management process and their ability to make a difference in achieving sustainable development has a mean of 4.3 and a standard deviation of 1.3. the finding denotes that most of the organization are taking into consideration the aspect of knowledge management to ensure sustainable development. Knowledge management is a pre-requisite for furthering sustainable development process with a mean of 4.2 and standard deviation of 1.5. The respondents agreed that knowledge management facilitates the process of sustainable development.

Furthermore, a mean of 4.3 and standard deviation of 1.2 on the question of pivotal role of knowledge management to development in modern society. The findings depict that knowledge management is acting as a pillar or pivot of development in most companies.

Knowledge management as an organic part and patient instrument for furthering sustainable development; mean 4.2 and standard deviation of 1.4. The results obtained supported the idea of perceiving knowledge management as a cartelist for furthering sustainable development in organizations. Moreover, sustainable development requires wholesome approach to knowledge management with a mean of 3.5 and a standard deviation of 1.7. The findings denote that a quite number of companies agreed that there is a close link between sustainable development and knowledge management.

Regression analysis

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.454	.206	.203	2.56441	.206	77.592	1	299	.000

Dependent variable; sustainable development

To test the relationship between knowledge management and sustainable development a regression analysis results are as follows, with 20% explanatory power with R recording 0.45 or 45%, this model is significant. It means that knowledge management contributes to 20% of the prediction of sustainable development. Moreover, correlation between participation of tourism stakeholders and sustainable development was also directly related with a significant factor of 0.00

6. Conclusions

There is a strong relationship between knowledge management and sustainable development of small and medium enterprises. In knowledge management the aspect of storing data for future

use is very important for sustainable development. Small and medium enterprises sustainability depend on the knowledge acquired and stored. The whole idea of understanding sustainable development of small and medium enterprises is to ensure sustainable growth through focusing on the three aspects namely, economic, environment and social.

Giving attention to these aspects depends with individual capability of acquiring knowledge through sharing. It is not possible to separate knowledge management processes and sustainable development in small and medium enterprises as these two ensures business viability and competitive advantage. The application of knowledge management and sustainability ensures social cohesion through creation of society wellness

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