Access to Electronic Thesis

Author:	Inaam Idrees
Thesis title:	Clique and Elite: Inter-Organisational Knowledge Sharing across Five Star Hotels in the Saudi Arabian Religious Tourism and Hospitality Industry - a Grounded Theory Study
Qualification:	PhD

If this electronic thesis has been edited by the author it will be indicated as such on the title page and in the text.

Cliques and Elites: Inter-Organisational Knowledge Sharing across Five Star Hotels in the Saudi Arabian Religious Tourism and Hospitality Industry - a Grounded Theory Study

by

Inaam Idrees

A thesis submitted in partial fulfilment of the requirements for the degree of
Doctor of Philosophy

Information School

The University of Sheffield

November 2011

Abstract

This research project is an exploratory, qualitative study focusing on knowledge sharing practices from an inter-organisational perspective in a context where organizations engage simultaneously in competitive and cooperative relationships. It addresses the lack of prior empirical research on the paradoxical competitive-cooperative environment of the tourism and hospitality industry and the need for theories in this area, which has been largely neglected by the discipline of Knowledge Management. This study deploys a four stage research design based on Grounded Theory principles. Throughout the first three stages a series of semi-structured interviews with hotel managers in the city of Madinah was conducted and analysed simultaneously as expected in the Grounded Theory approach. The result is a theory of knowledge sharing practices among five star hotels for the religious tourism and hospitality industry of Saudi Arabia.

The research analysed the formation of a clique of five star hotels, which engage in intense cooperation despite the fact that they are competitors. Informal membership of the clique was found to be restricted by similarity, competition and status, and took place within the context of a market structure known as oligopoly. This type of market is characterized by few suppliers, a strategic interdependence between these competing suppliers, and a state of tension between actions that will benefit them individually and what will benefit the industry as a whole. Collective advantages benefit all clique members, and include areas such as standardisation, in which the hotels align their service levels and average out their prices; bargaining, with outside bodies, such as suppliers or industry regulators; and image promotion of the five star hotel market; finally, they also seek to assist each other by circulating amongst themselves details of potential and unwanted employees whom they wish to market to their fellow clique members, as well as information regarding troublesome clients. Thus, there exists interdependence between five-star hotels, which stems from the fact that there are few of them and each with a large share of the market. As a result, each hotel faces a conflict between the wish to compete - by seeking to increase market share and maximize profits independently - and the possibilities of cooperation with other, similar hotels, whereby all can jointly maximize profits and jointly protect their elite status.

The theoretical model produced in this research places great emphasis upon the existence of this cooperative-competitive tension. A theoretical contribution of the model is the employment of oligopoly theory, to explain the way in which inter-organisational knowledge sharing occurs within this context. Another contribution is that it develops an analysis based on elements of game theory, particularly the Prisoner's Dilemma. As is predicted in the Prisoner's Dilemma, there are short-term gains to be met by agreeing to one course of action and then following another, as long as other firms do not deploy the same tactics. However, the same theory illustrates the mutual benefits of cooperation, which work to build bridges and create a basis for long-term success and protect and maintain the elite status of the clique. Accordingly, this research demonstrates that, similar to successful strategies within the Prisoner's Dilemma, hotels choose to cooperate because it is a better long-term strategy than seeking to divide the market through competition.

Acknowledgements

Contents

Figures and tables

Chapter 1— Setting the research agenda

1.1 Introduction

This research project is a qualitative discovery study focusing on the issue of knowledge sharing from an inter-organisational perspective. It has undergone four distinct stages with the aim of discovering how hotels that compete within the Saudi religious tourism and hospitality sector cooperate through knowledge sharing. The different stages build upon each other whilst also exhibiting elements of interaction and interdependence. The result is a theory of knowledge sharing among five star hotels for the religious tourism and hospitality industry of Saudi Arabia. Generating a substantive theory was the objective of the research due to a lack of prior empirical research on the paradoxical competitive-cooperative environment of the tourism and hospitality industry and in response to a need for theories in this area, which has been largely neglected by the discipline of Knowledge Management.

This introductory chapter provides an overview by summarising the main components of the study. The chapter begins with a discussion of the background and then introduces the problem of the research, which is followed by the rationale for the study. It then presents the methodological approach employed to conduct the study. Finally, the chapter then outlines the structure of the thesis.

1.2 Background and problem statement

The image of an organisation as an autonomous entity has been replaced with one in which a number of organisations work together to develop and strengthen their competitive advantage (Grangsjo and Gummesson, 2006). As a result, a new approach to conducting business relies on an interdependent relationship between actors in an industry (Grangsjo, 2003). According to Luo (2004:11), in order to succeed, organisations must adopt a cooperative-competitive approach where two or more organisations "work together to collectively enhance performance by sharing resources and committing to common task goals in some domains [...]. At the same time, they compete by taking independent action in other domains to improve their own performance". This cooperation results in a strategic interdependence between competing organisations, and a state of tension where they must navigate the options regarding what practices will give them individual advantages and what will benefit the industry as a whole.

In tourism destinations, where there are usually many different organisations involved in the delivery of services, organisations often need to collaborate with each other and have close contact, even if they are competitors (Bolinger and Smith, 2001; Gronau, 2002; Scott and Laws, 2006). Bouncken (2000) explains that the tourism and hospitality industry consists of a number of basic elements such as a travel agency, the tour operator, the transportation, and the hotel. Each consists of a number of participants who both compete and cooperate,(Kahle, 2002). This often creates a paradox wherein which the same organisations compete and collaborate simultaneously. For example, collaborative efforts often take shape in decisions on how to collectively market their

destination, and are intricately linked to how they balance cooperation and competition, and how they determine individual benefits versus common benefits that will bring success to both the destination and the individual businesses. According to Bouncken and Pyo (2002), such a paradoxical relationship is embedded in the flows of knowledge and information within the tourism and hospitality industry.

In order to explore this paradox, it becomes critical to consider the importance of knowledge sharing practices in the tourism and hospitality industry—indeed, knowledge can be seen as one of the industry's most valuable assets (Zack, 1999; Buckley and Carter, 2002) because it is a source of competitive advantage (Quintas et al., 1997; Bouncken and Pyo, 2002; Hawkins, 2006; Lemelin, 2006; Scott and Laws, 2006). When an individual organisation has a competitive advantage based on knowledge, it is difficult for others to compete (Scott and Laws, 2006) and, because of the important role of knowledge in creating a competitive advantage, knowledge sharing often occurs. Knowledge sharing emerges in the tourism and hospitality industry, according to Scott and Laws (2006), because of two notions, first, the role that knowledge can play in competition, and, second, the need to consider knowledge from an inter-organisational perspective. This suggests organisations that have knowledge based on their niche overlap and this similarity of knowledge, which defines them as competitors, can also identify certain co-operators within that niche. Consequently, in order to maximise the competitive advantage for their destination, organisations within a destination must make sure that they not only produce knowledge, but share it as well (Lemelin, 2006).

This cooperation among competitors through the sharing of knowledge for their destination leads to a better solution for all, which in turn leads to increasing the

competitiveness of all organisations within the destination. Although immediate success cannot be guaranteed through knowledge sharing, bad decision making, at least, can be reduced because knowledge management is used as a strategy for better decision making (Lemelin, 2006). This view of knowledge sharing, therefore, indicates a tension between competition and cooperation because both play key roles in economic development within the tourism and hospitality industry (Grangsjo and Gummesson, 2006).

Recently, many commercial organisations from different economic sectors have sought to develop inter-organisational relationships, such as strategic alliances, partnerships, coalitions, joint ventures, franchises, research consortia, and various forms of network organisations, in order to assist them in conducting business (Ring and Van De Ven, 1994). There is a fine line between competition and cooperation, but such inter-organisational relationships give guidance as to what practices contribute to theories that cooperation between competitors is legitimate.

A number of successful experiences provide evidence that cooperation through sharing knowledge between competitors can improve profitability, both for the industry and for the individual organisations. For instance, 3T is a collaboration among competitors in the textile industry in Turkey that is successful because dyers and suppliers cooperate to produce new products through sharing what they know. Six technology providers and ten finishing companies collaborate to form 3T. This collaboration is based on technology development, intelligence, and diffusion, which develops and implements integrated automation systems ranging from feasibility studies to after-sales services. One of the fundamental aims of the collaboration is to support the textile dyeing and finishing in Turkey in order to gain an advantage over foreign competitors. Dyers share

what they know about customers' needs and fashion trends and suppliers share their technological innovations and capabilities. Based on this cooperative information, 3T develops new products. Each of the partners can gain individual benefits, while at the same time all partners experience common benefits gained from the competitive advantage of shared resources and the innovative capabilities stemming from the collaboration. 3T demonstrates how strategic resource sharing behaviour enhances the companies' competitive advantage, which also results in innovation and organisational learning (Cetindamar et al., 2005).

Moreover, not only can profitability be improved by knowledge sharing, but quality as well. Bouncken (2002) claims that many quality problems in hotels can be avoided by improving staff's knowledge about customers' preferences and the corresponding service procedures. This is achieved by retrieving and making use of the experiences of other members of staff. New and unskilled employees in hotels can learn from existing employees' experiences. Thus, hotels must work to protect the knowledge from employee experiences, which can be lost to a competitor when an employee transfers or resigns (Bouncken and Pyo, 2002).

The significance of knowledge sharing in the tourism and hospitality industry is illustrated by the Quebec Tourism Intelligence Network. This organisation is based on the concept that sharing and disseminating knowledge relevant to the destination leads to increased cooperation among operators in Quebec, which then results in increased competitiveness of the overall destination (Lemelin, 2006). The tourism industry, and particularly at the destination level, is characterised by cooperation and competition between member organisations in such strategic alliances. This tension creates a

paradoxical perspective on how knowledge sharing occurs in the tourism industry and, therefore, provides a useful context for the study of how cooperative-competitive environments influence knowledge sharing practices (Scott and Laws, 2006).

This research project aims to uncover the ways in which competing hotels in the religious tourism and hospitality industry in Saudi Arabia also manage to cooperate through sharing their knowledge. This aim is translated into the following research question:

1.2.1 Research question

In what ways do competing hotels in the religious tourism and hospitality industry in Saudi Arabia cooperate through knowledge sharing?

1.2.2 Objectives

In order to answer the research question this project will need to address the following research objectives:

- To investigate the nature of relationships among hotels in the religious tourism and hospitality industry in Saudi Arabia.
- To identify the membership characteristics of the actors.
- To identify the cooperative practices, which take place among them, focusing on knowledge based practices.
- To identify conditions under which the identified cooperative practices occur.
- To identify channels through which the identified cooperative practices occur.
- To identify factors contributing to the identified cooperative practices.
- To develop a theoretical model to explain how these hotels cooperate through sharing their knowledge.

1.3 The rationale of the study

The importance of this study is articulated around three main points, first and foremost being the selection of the tourism and hospitality industry as one in which to study knowledge sharing. The second main point is the examination of knowledge sharing from an inter-organisational perspective. Both of these will be discussed in the first part of this section. The third main point is the consideration of these issues within the religious tourism and hospitality industry in Saudi Arabia. This will be discussed in the second part of this section.

1.3.1 Knowledge management in the tourism and hospitality industry

Although the theories of knowledge management are often referred to by researchers in various industries, however, their application and incorporation in the tourism and hospitality sectors is limited—as is evidenced by their scarcity in the literature (Bouncken, 2002; Bouncken and Pyo, 2002; Hjalager, 2002; Grizelj, 2003; Ruhanen and Cooper, 2004; Yun, 2004; Cooper, 2006). Recent developments within the tourism and hospitality sector, such as information processing, show an increased drive towards a more knowledge-based industry. Although such developments are viewed to enable knowledge transfer, it has been argued that the current minimal examination of knowledge management through literature will persist in the sector (Pyo et al., 2002). This scarcity is acknowledged by academics, some of whom go further by examining the inclusive and descriptive nature of the literature, claiming that not only is such literature limited but it is often characterised by its focus on unique cases (Ruhanen and Cooper, 2004). It has also been argued that minimal value is gained from research that places emphasis primarily upon examining a firm and its operations and, therefore, the

research's contribution to the tourism and hospitality sectors as a whole is neither large nor completely relevant (Cooper et al., 1994).

Hallin and Marnburg (2008), in attempting to determine the number of empirical research studies conducted regarding knowledge management in the tourism and hospitality sectors, demonstrate this limitation. Their study revealed that out of 2,365 search results, which included theoretical, empirical, and anecdotal contributions and newsletters from tourism- and hospitality-related magazines, only 19 empirical articles were focused on the role and significance of knowledge management. The empirical quality of these articles is evaluated against scientific criteria pertaining to testability and generalisation. The first instance relates to whether or not the theory and its empirical applications are sufficiently clear for other researchers to replicate the process as this will determine if the contribution constitutes a scientific advance in the field. The second instance relates to whether the theory is sufficiently broad in scope and extends beyond its particular observed setting so that it applies to the general knowledge management debate within the industry.

Furthermore, five of the nineteen aforementioned empirical articles demonstrate high quality research. However, the remaining studies show that empirical knowledge management research in the area is limited and inclusive as well as low on generalisability and testability. As a whole, the empirical research on the sectors is divided into three main perspectives: industrial (Ingram and Baum, 1997a; Espinosa et al., 2003; Canina et al., 2005), inter-organisational (Ingram and Baum, 1997b; Baum and Ingram, 1998; Ingram and Baum, 2001; Kyriakidou and Gore, 2005) and intra-organisational (Ghalia and Wang, 2000; Jameson, 2000; Stevens and McElhill, 2000;

Agut and Grau, 2002; Gjelsvik, 2002; Bayraktaroglu and Kutanis, 2003; Engstrom et al., 2003; Yang and Wan, 2004; Yang, 2004a; Yang, 2004b; Aksu and Özdemir, 2005; Furunes, 2005).

This research study is important because it is an empirical study. In addition, it focuses on knowledge management issues within a field hitherto neglected in this discipline. It can be said, therefore, that the study's empirical method addresses a need in this area of research, as opposed to more conceptual or theoretical research.

Furthermore, the fact that knowledge management theory has only recently become significantly utilized by the industry might be a compelling reason for the lack of established research literature within this field (Bouncken, 2002; Bouncken and Pyo, 2002). There are various explanations for this, one of which is the low level of communication between the tourism and hospitality industries and those involved in knowledge management academic research (Cooper, 2006). Although the importance of knowledge in increasing organisational competitiveness has been recognized by numerous studies, the emergence of knowledge management as an academic discipline is a recent development of the last 30 years. Since 1980, the research and literature within the field and its application has grown rapidly. As a result, knowledge management has influenced the strategies of businesses within a range of economic sectors, with the notable exception being the tourism and hospitality sectors (Cooper, 2006; Hallin and Marnburg, 2008). The efficient transfer of knowledge within those industries that best use knowledge management occurs because the relationship between the researchers and the business community is not only close but formalized, unlike

those with the tourism and hospitality industry, where the links remain informal (Cooper, 2006).

The transfer of knowledge from academia to business within the tourism and hospitality industry is considered a challenge (Faulkner et al., 1994). This challenge is primarily due to the differing interpretations by practitioners within the industry and by academics who study the industry when it comes to understanding and defining knowledge management. According to Cooper (2006), this is one of the main reasons for the poor link between those concentrating on theory and research and those involved in business. Cooper's claim is that practitioners use knowledge management practices to gain leverage within an organisation before using knowledge to position the organisation strategically for it to attain its goals. In other words, knowledge management is the process of deriving value from the intangible assets of an organisation. The practitioners discover and locate knowledge and expertise from any and all members within an organisation, thereby discovering valuable insight that can be pooled and distributed to the benefit of the entire organisation, both in the short-term, by updating and educating people, and in the long-term, by informing organisational strategy.

Conversely, the general agreement within the academic view of knowledge management is that it includes various, overlapping subject areas and practices, such as information technology, human resources, business management, organisational behaviour, and psychology. Furthermore, the vast majority of published knowledge management concepts have been formulated from manufacturing and multinational viewpoints; hence, they do not consider theories of networks as a consequential requirement for

adopting an inter-organisational perspective, which is a major factor in how the tourism and hospitality industry operates (Cooper, 2006).

As suggested by Cooper (2006), new trends within knowledge management literature and practice offer new techniques and perspectives and, therefore, researchers within the field of tourism and knowledge management should pay attention to these developments. The conventional view that knowledge management is only applied within a single firm, rather than also being applicable across organisations, is outdated. In other words, for research purposes within the tourism and hospitality sector, a broader and deeper approach to knowledge management theory is essential if researchers are to confront, address, analyze, and evaluate inter-organisational issues effectively in relation to the storage and flow of knowledge within organisational networks.

Another significant element of this study is its focus on inter-organisational issues, specifically knowledge sharing among hotels. As Cooper (2006:49) suggests, "If knowledge management is to be utilized at the destination level, then the micro-level focus on the organisation, which dominates its thinking, needs to be expanded to embrace knowledge stocks and flows within networks of organizations at the destination."

1.3.2 Religious tourism and hospitality industry in Saudi Arabia

Tourism is Saudi Arabia's third largest industry after energy and manufacturing, with the country receiving 27.1% of the Middle East's tourists and 29% of Middle Eastern tourist revenues in 2000 (Sadi and Henderson, 2005). Furthermore, it is crucial to note the major role of religious tourism within the regional economy. Religious tourism in Saudi Arabia refers to the annual Hajj and Umrah pilgrimages to Makkah and Madinah

when Muslim pilgrims visit the cities as part of their Islamic observations. These rituals have been performed in the same manner for the last fourteen hundred years since the emergence of Islam. This form of religious tourism is defined by numerous special characteristics that give it a unique identity. Firstly, the immense number of pilgrims converging on the two holy cities, which was close to three million in 2010, makes these gatherings the largest on Earth. Furthermore, the number of pilgrims is increasing year over year, with statistics showing that in 1996 the number of Hajj pilgrims was 1,865,234; however, by 2006 this number had risen to 2,378,636 (Ministry of Hajj, 2007) and in 2010, this number reached 2,789,399, a 20.58% increase over the year before (Central Department of Statistics and Information, 2010).

Secondly, the duration of the visits is of significance as many pilgrims who attend are in the cities of Makkah and Maddinah well beyond the time period required by the religious practice. The third characteristic of this type of religious tourism is that it is not greatly affected by the international economic situation or by changing environmental conditions, as pilgrims will still attend in poverty or in disaster.

The religious tourism market has been a major source of income for the people of Makkah and Madinah since the advent of Islam. The local people made money by providing accommodation and food for visitors as well as by selling necessities and souvenirs. Until recently, many local people ran small hotels or owned properties that were rented to visitors; even those without second properties were still able to earn revenue by renting out sections of their houses during the religious seasons. These local arrangements have now been replaced by large hotels, which are subject to high standards issued by the regulators. This replacement occurred due to the vast number of

visitors that the holy cities receive every year; Madinah, for example, receives about six million visitors annually (Edrees, 2005).

Now, the hospitality industry in Saudi Arabia attracts many individual business people as well as international companies to invest in the area, and Makkah and Madinah have become major targets for investors. Mohamed Benamar, the District Director Saudi Arabia of the Rezidor hotel group, points out that "Saudi Arabia is one of our major growth markets and religious tourism will be our main focus" (Jackson, 2007). Statistics show that the number of hotels and self-catering accommodation in Madinah currently stands at 1,080 (National Adilla Est, 2007). This number is expected to increase in order to cope with the annual growth of visitors, and the Saudi religious tourism market is expected to expand at an average rate of 20% each year over the next decade, with the number of visitors doubling to an estimated 45.3 million by 2020 (Zawya, 2007).

Today, most major international hotel chains have a presence in the holy cities and those that do not yet have a presence are seeking entry. Some international chains have more than one hotel in the area, with the distance between them only a few metres. Although this destination has recently become the focus of the world in terms of business and investment, it is neglected in terms of research. Currently, the only research taking place focusing on this destination is the collection of tourism statistics. Such research is conducted by the Central Department of Statistics and Information or by the Tourism Information and Research Centre, which is part of the Saudi Commission for Tourism and Antiquities. This research project claims to be the first empirical study focused on knowledge management issues in the religious tourism and hospitality industry in Saudi Arabia, and it seeks to draw research attention to this sector.

1.4 Methodological approach

Presently, there are relatively few empirical studies that address the application of knowledge management within the tourism and hospitality sector. Of the few that do exist, they are theoretical and conceptual in nature (Bouncken, 2002; Bouncken and Pyo, 2002). In this study, a Grounded Theory approach is the chosen methodology.

The selection of Grounded Theory is based on the fact that this particular methodology aims to develop a theory around certain issues where there is little documentation. This approach enables the researcher to develop theories despite a lack of published literature to support them (Glaser, 1998; Pauleen et al., 2007). This view is supported by Goulding (2007) who observes that the use of Grounded Theory can be effective in studies where particular subjects have been neglected in the past or only mentioned in passing.

However, according to Stern (1994), it is precisely this lack of previous study in the field that renders the testing of any new theory virtually impossible as there exists no similar research against which to compare new ideas. Although this can restrict the researcher in some ways, it leaves the field of study and the scope for theory wide open. As the literature in this area is lacking, theories for the knowledge management in the tourism and hospitality field need to be developed urgently and this acts as further encouragement for the researcher. Glaser and Strauss (1967) have developed Grounded Theory to create an approach based on three foundations: i) the constant comparison method of analysis, where data collection and analysis occur simultaneously; ii) theoretical sampling, where data collection is driven by the emerging theory; and iii) theoretical saturation, where the collection of data continues until nothing new about a

category emerges. This research has four main stages in which these key foundations are involved:

1. The uncertainty stage, in which the primary focus emerges.

2. The emergence stage, in which the core categories that form the foundations of the theory emerge.

3. The ambiguity resolution stage, in which the grey areas in the emerging theory are clarified.

4. The maturity stage, in which the discussion of the findings against the literature takes place.

1.5 The use of literature in Grounded Theory

One of the controversial issues related to Grounded Theory is about determining when in the research process the literature should be reviewed (Cutcliffe, 2000; McGhee et al., 2007). One argument is that the literature review should be avoided prior to data collection and analysis so as to allow for the production of a theory grounded in data, rather than being influenced by prior reading (Stern et al., 1982; Stern, 1994; Hickey, 1997).

An alternative point of view emphasises the importance of reviewing the literature before data collection in order to discover in which areas theory is lacking. It also helps to determine the reasoning behind the study. Furthermore, it gives readers an insight into the position of the researcher before the commencement of the study as well as illustrating why Grounded Theory was chosen as the most suitable approach. Cutcliffe (2000) sees the value of a literature review in its ability to provide background by explaining key terms and concepts. She claims that, depending on the consideration of

the researcher (and, therefore, the different types of theory that may play a role in the research) a literature review can be either beneficial or detrimental. For example, if the researcher is focused on factor relating theory, reviewing the literature will be useful as it will clarify concepts before introducing a theory; however, if the researcher is interested in factor isolating theory, reviewing the literature is inexpedient. Therefore, whether not to include a literature review depends on what the research is aiming to achieve as well as the level of theory needed or desired for its justification (Dickoff and James, 1968).

Smith and Biley (1997) state that a general literature review can be conducted but that it should not be "too extensive". Cutcliffe (2000:1480) questions Smith and Biley on this point, asking "just how much reading is 'extensive' and similarly 'too extensive'? To advocate that the researcher approaches the field of study with this background knowledge may produce the situation where the researcher has already begun to form tentative conceptual and theoretical links. This [...] is inappropriate for grounded theory". Conducting an initial literature review is advocated by Strauss and Corbin (1998:49) for a number reasons, which include enhancing theoretical sensitivity, direct theoretical sampling at the beginning of the research, and the fact that it provides a secondary source of data. This initial literature review is conducted to "enhance, rather than constrain, theory development". Therefore, prior review of the entire of the literature—a practice undertaken by researchers employing a different theoretical approach—is not necessary. One reason for this is that, before any detailed research is carried out, one will not know the extent or type of problems that will need to be investigated in more detail. Too much prior reading might place the data in danger of

over-saturation by the dominant trends in the literature, rather than letting them speak for themselves.

Furthermore, Glaser and Holton (2004) argue that reviews of the qualitative data analysis prior to the actual study is "a waste of time" and "derailing" for the intended purpose of Grounded Theory. Such an extensive review goes against the most fundamental premise of Grounded Theory, which is to let the theory come into view from the data itself and not from the current theories already in the literature. The perceived negative consequences of an exhaustive literature review prior to research involve not only the emergence of the theory, but potentially even the ability of the researcher to be amenable to dramatically new and different core categories. In effect, too much early review of the literature can close the mind to the very type of theory this form of research aims to nurture. Also, Glaser (1992) argues that in Grounded Theory, there are several levels of literature review required—which include professional literature related to the studied issues—which must not be examined until categories start to emerge. Following on the argumentative strength of these latter perspectives, an extensive review prior to data collection and analysis is avoided in this research.

However, an appropriate literature review for this research has been conducted in three phases. The purpose of each phase differs from the others based on the corresponding stage of the research. A general review of the literature was conducted at the beginning of this research project, prior to data collection and analysis. The purpose of this initial literature review is to provide background information necessary for an understanding of the studied area, "rather than a collection of findings that you are using as justification for your hypothesis" (Giles, 2002:174).

Another phase of the literature review was conducted after the core categories started to emerge during the analysis process. This review of the literature is not documented in a discrete section, as the purpose of this phase of the literature review is to help in identifying relationships among the categories which have emerged. Instead, it is integrated in the discussion of findings in Chapter 5. Such use of the literature can find support in Giles (2002:174) description of the Grounded Theory process: "grounded theorists while having […] a broad grasp of the topic area to begin with […] begin to consult the literature in any depth [once] have entered into business of theory-building". Glaser and Holton (2004) explain that Grounded Theory methodology approaches the literature as a separate form of data regarding the subject area. By so handling the literature, it can be assimilated into the process of constant comparative analysis after— rather than influencing it before—the core category and according properties have come into view. Such a practice is arranged and performed so as not to impede the fundamental development of the concept.

The last and final phase of the literature review was conducted after the research theory emerged. Although the previous phases carry much significance, this phase is critical as it confirms the findings and supports the emerged theory. Furthermore, the findings can be used to examine the literature and illustrate errors and gaps in it (Strauss and Corbin, 1998). As Strauss and Corbin (1998:52) assert, "bringing the literature into the writing not only demonstrates scholarliness but also allows for extending, validating, and refining knowledge in the field."

1.6 Outline of the thesis

This introductory chapter has explained the reasoning behind the exploratory manner of the research project as well as the consequent emergence of the theory on knowledge management in the hospitality and tourism industry. The implication here, therefore, is that the numerous strands of the central argument will be illuminated gradually as the thesis progresses, converging at the end to form a concise and viable theory and thereby producing a cogent and overdue contribution to the growing discipline of Knowledge Management. Although the development of the argument and the creation of the theory are logical, for ease of reference and to demarcate the flow of the thesis chapters, it will be beneficial to provide a brief summary of the thesis. It is essential here to indicate that the presentation of the thesis was written in such a way as to emphasize the development of the argument rather than documenting the process in a step-by-step way.

Following this introductory chapter is a literature review, chapter 2. The use of a literature review in a Grounded Theory approach, as discussed earlier, is prone to some controversy regarding when it should be conducted and in terms of how extensive it should be. The literature review is conducted in three phases. Each phase is conducted for a different purpose and at a different stage of the research. The general review of the literature, which is presented in chapter two, offers a background to the subject area, removing any uncertainty regarding the context and focus of the topic.

A methodology section will follow in chapter 3 and will provide a rationale for the research approach and design by discussing and justifying its key methodological influences and key features. This chapter explains how the study was conducted and, in

particular, how the principles of Grounded Theory were applied in this thesis through the four interacting stages of the research design mentioned above.

Chapter 4 employs data to explain the cooperative practices, both knowledge- and non-knowledge based, which occur among five star hotels. Through a discussion of these practices, this chapter also delineates what knowledge it is that hotels share amongst themselves and under what conditions such cooperative practices occur. As mentioned, the practices are divided into knowledge-based practices and non-knowledge-based practices, the former involving problem-solving, sharing creative ideas and practices, price-determination and other finance-related issues, determining employment-related issues, and determining market position; the one non-knowledge-based practice focuses on referring clients from one hotel to another.

The discussion then continues on how the aforementioned cooperative practices occur, who is involved in these practices and why. The data has revealed the existence of a clique, the membership of which is restricted by two factors: hotel star rating and competition. This section also reveals that knowledge sharing among associates comes with the anticipation and expectation of some level of withholding information or spinning its meaning. Although this can affect trust among the clique's members, surprisingly they continue to communicate and share their knowledge. Such issues are subject to in-depth examination in the subsequent section.

The research findings, presented in chapters 4, depict the formation of a clique among competing five star hotels. Chapter 5 explains the reasoning behind the behaviour of this clique, collectively as well as individually, and that the formation of this five star hotel clique takes place within the context of a market structure known as an oligopoly. The

key features of this type of market include relatively few suppliers, a strategic interdependence between these competing suppliers, and a state of tension within each firm as the members navigate the options regarding what practices will give them individual advantages and what will benefit the industry as a whole. The shared knowledge that each hotel gains through the five activities discussed in chapter 4 can be used both on an individual basis, whereby they each attain private benefits, as well as collectively, whereby they attain collective advantages as an industry. This chapter integrates literature from the second and third phases of the literature review. The purpose of these two stages of the literature review are, respectively, i) to clarify the relationships between the core categories that have emerged from the analysed data, and ii) to confirm the findings and support the theory that has emerged from the research.

Lastly, chapter 6 binds all the elements of the research together. It will first review the research objectives and present a summary of the findings in order to observe the extent to which the findings satisfy the research objectives. Secondly, it considers the contributions of this research to the body of knowledge. Thirdly, it identifies the implications of the findings for those involved in the hotel industry. Finally, this concluding chapter identifies the limitations of the research study and provides suggestions for future research.

Chapter 2 — Literature review: knowledge sharing and religious tourism and hospitality industry in Saudi Arabia

2.1 Introduction

As discussed earlier in the introductory chapter, the use of a literature review in Grounded Theory prompts much controversy regarding when it should be conducted and in terms of how extensive it should be. The literature review in this research is conducted in three phases, each for a different purpose and at a different stage of this research: the first phase of the literature offers a background to the subject area, removing any uncertainty regarding the context and the focus of the topic. The second phase is not documented in a discrete section, as the purpose of this phase of the literature review is to help in identifying relationships among the categories which have emerged; instead, it is integrated into the discussion of findings in Chapter 5. Finally, the third phase aims to confirm findings and support the emerged theory of the research.

This chapter presents the first phase of the literature review which is divided into three main sections. The first section focuses on the meaning of knowledge through an examination of different views and perspectives of it. It also focuses on knowledge sharing. To illustrate what knowledge sharing means, its different dimensions will be presented, including the divergence in defining knowledge sharing, models of knowledge sharing, approaches to share knowledge, motivations and barriers to knowledge sharing. The second section focuses on inter-organisational knowledge sharing focusing on tourism industry. The third section of the literature review focuses on religious tourism and the hospitality industry in Saudi Arabia. It demonstrates the meaning of religious tourism in Saudi Arabia and its characteristics. Furthermore, it

shows how hospitality in Saudi Arabia has changed from a local business to an international business which attracts investors from around the world. Finally, this section of the literature review illustrates how religious tourism and hospitality is a knowledge based industry.

2.2 Knowledge

Although there is a vast amount of literature considering the question of what knowledge is and includes, the answer is still "ambiguous" (Newell et al., 2002:3) and difficult to be defined precisely. Some have argued that this may be due to its intangible nature (Bhatt, 2002). The following section will show the diversity of definitions and typologies which reflect the debate surrounding epistemology.

2.2.1 Objectivist perspective and practice based perspective

Two major opposing views of knowledge include the objectivist perspective and the practice-based perspective (Hislop, 2005). The basic differences and how they appear will be discussed in the following paragraph.

- **Objectivist perspective**

This perspective has been described as a view which considers 'knowledge as an object'. Adherents to this perspective hold knowledge to be an object which people can own, keep, and store. This view tends to focus on databases, repositories, or any other storage devices (Allee, 1997). Another label used by Cook and Brown (1999) is 'epistemology of possession' which means knowledge is viewed as something that people can possess. For example, the sentence 'Robert knows auto mechanics' means 'Robert possesses knowledge of auto mechanics', in the specific way knowledge can be possessed. Further, this perspective can be labelled as 'Knowledge is truth', which views

knowledge as a canonical body of scientific facts and rational laws. A scientific strand of this perspective holds that knowledge is free from the fallibilities of the senses and personal interpretation (McAdam and McCreedy, 2000). Finally, this perspective is known as 'Knowledge as theory' where it is believed that knowledge can be codified and articulated. It can be separated from its source, and exist independently in codifiable form which can be made available to others (Werr and Stjernberg, 2003).

- **Practice based perspective**

Blacker (1995:1023) claims that "rather than regarding knowledge as something that people have, it is suggested that knowing is better regarded as something they do". This means knowledge is involved in human action and activities. That is to say, knowledge and activities are inseparable from each other because they are always applied in specific situations and specific contexts (Brown and Dugid, 1998; Cook and Brown, 1999; Werr and Stjernberg, 2003).

Further, in this perspective, knowledge is regarded as a social construct which is developed and transmitted through the interaction between individuals (Empson, 2001). Because it is socially constructed it is argued that knowledge is somewhat subjective, and cannot therefore be separated from the cultural values of those people who produce it. This perspective differs from the view of knowledge espoused in the objectivist perspective which suggests that knowledge, which can be codified, may exist separately from the social and cultural values (Hislop, 2005).

However, there are some limited efforts to forge connections between these two theories of epistemology (Brown and Dugid, 1998; Cook and Brown, 1999). Both of the perspectives are important and can be used to manage different types of organizational

knowledge. With knowledge that can be codified, stored, and disseminated by databases in organizations—which includes standardized and repetitive tasks—it is more appropriate to view it as theory. On the other hand, it is more appropriate to view knowledge as practice in organizations that encourage interaction between individuals to solve problems creatively and generate new knowledge, as presented by Hansen et al. (1999) and cited in (Werr and Stjernberg, 2003).

2.2.2 Tacit/explicit knowledge

Another way to understand what knowledge is consists in dividing it into tacit and explicit forms. Tacit knowledge is informal, not clear, cannot be seen, and it is hard to articulate and communicate because it resides in minds and skills (Newell et al., 2002). Tacit knowledge cannot be expressed because, according to Polanyi (1966:4), we are not aware of its existence: "we can know more than we can tell". It is difficult to express and articulate what we are not fully conscious that we possess. For example, individuals may know how to dance, but may find it difficult to explain how to do it. In order to understand or make use of tacit knowledge, it must be converted into an explicit form, Nonaka and Takeuchi (1995) claim. They suggest that tacit knowledge can converted to explicit knowledge through externalization, while Cook and Brown (1999) argue that explicit and tacit are two different forms and we cannot convert one to another to understand the other because each form does its own work which the other cannot do.

For authors such as Nonaka (1994) and Allee (1997) tacit knowledge implies two elements. The first is a cognitive element which implies 'mental models' such as insights, perceptions, beliefs, and values that help people to understand their world. The

second is a technical element which signifies the skills, know how, and experiences attached to practice.

Explicit knowledge, on the other hand, can be expressed, codified, communicated, and conveyed in systematic ways (Nonaka, 1994; Allee, 1997; Al-Hawamdeh, 2003). Newell et al. (2002) claim that explicit knowledge differs from tacit knowledge on the basis of its conveyance. Such knowledge resides in documents, diagrams, images, and computer systems. Explicit knowledge is viewed as the same as information (Martensson, 2000; Bouthillier and Shearer, 2002), and can therefore be said to be stored in information technology (Martensson, 2000).

2.2.3 Individual/group knowledge

A second way in which to view knowledge is as regards 'individual and group knowledge'. There was a tendency to privilege individual knowledge over group knowledge. Knowledge, according to this perspective, is in essence individual as it exists within individuals (Badaracco, 1991). This tendency has recently been rejected by writers such as Hislop (2005:19) who argues that "while much knowledge does reside within individuals, there is a sense in which knowledge can reside in social groups".

Further, Alvesson (2004) argues that the individual is a product of the social, and thus it is difficult to develop knowledge isolated from social context. It is furthermore difficult for an individual in organizations where the tasks are highly complex and require such extensive amounts of information that it would be too much (or impossible for an individual to handle (Badaracco, 1991). An example of this can be seen in interdisciplinary problems in large organizations which require diverse activities and a variety of expertise in different areas in order to be solved. Therefore, it is wise to ask

individuals with different backgrounds to collaborate to solve the problem together as it would not be possible for a single individual to solve it alone. Although individual knowledge and group knowledge are two different types of knowledge, there is an interdependent relation between them, Bhatt argues (2002). Both the individual and the group does work the other cannot (Cook and Brown, 1999).

However, while these typologies of knowledge are useful, they cannot explain the complexity of organizational knowledge and can be "misleading" (Alvesson, 2004:45) because there is no entirely tacit or entirely explicit knowledge. All tacit knowledge is to some extent explicit and vice versa. It is more appropriate to view tacit and explicit as different aspects of knowledge that work together mutually to form the knowledge rather than different types of knowledge, distinctions which may be "misleading" due to the interrelationship between individual and group knowledge. While individual knowledge can provide the framework of group knowledge, equally group knowledge can be used to produce individual knowledge.

2.3 Knowledge sharing

This section focuses on knowledge sharing. To illustrate what knowledge sharing means, its different dimensions will be presented, including the divergence in defining knowledge sharing, models of knowledge sharing, approaches to share knowledge, motivations and barriers to knowledge sharing.

2.3.1 Definition

Although we may instinctively know what knowledge sharing is, it is often difficult to articulate exactly what it encompasses. The term 'knowledge sharing', which is used in this study, has been used in many studies, such as Cabrera and Cabrera (2002),

Ardichvili et al. (2003) and Ipe (2003). There are a number of terms that are used interchangeably with knowledge sharing, such as 'knowledge transfer' Szulanski (1996), Kane et al. (2005) and Alkhaldi and Olaimat (2006) and 'knowledge translation' (Major and Ordey-Hayes, 2000). Although they are sometimes used interchangeably, they relate to different perspectives, objectives, and interests. The next section will be devoted to explain what knowledge sharing means.

In the objectivist perspective, according to which knowledge is considered as an object, the term 'knowledge transfer' tends to predominate (Allee, 1997). Knowledge transfer means the process in which knowledge is transferred from a source to a destination which now possesses the object. The source is the original holder of the knowledge, and can be a place, person, or ownership, and the destination is a place, person, or ownership to which that knowledge is transferred (Major and Ordey-Hayes, 2000; Sayed-Ikhsan and Rowland, 2004).

However, the term 'transfer' implies gain and loss. That is to say, the source will lose the transferred item and the destination will gain it. It is argued that, this is not the case with such an intangible asset as knowledge. While tangible assets may depreciate in value when used, knowledge keeps growing when it is used and shared and depreciates only when not used (Sveiby, 2001). The knowledge can be transferred from the source to the destinations without the former losing it (Major and Ordey-Hayes, 2000; Sayed-Ikhsan and Rowland, 2004). The use of the term 'knowledge transfer' suggests that knowledge moves in one direction—from the source to the destination—while the point of such a transference in much of the literature is to improve the competence of both parties who share knowledge (Sveiby, 2001). In contrast, Szulanski (1996:28) prefers

to use the term transfer to "emphasize that the movement of knowledge within the organization is a distinct experience, not a gradual process of dissemination, and depends on the characteristics of everyone involved". As an alternative to 'transfer', 'translation' is proposed by Major and Cordey-Hayes (2000) because its dual meaning as 'knowledge translation' can be used in the same way as knowledge transfer to mean the movement from a place to another with the added connotation of the meaning of putting something into an understandable form.

As 'knowledge transfer' is considered limited, especially with regards to interactions, some authors prefer to use 'knowledge sharing' or 'knowledge exchange'. Knowledge exchange is defined as passing on knowledge for something in return. Based on this, the use of 'knowledge exchange' implies reciprocity. The owner of knowledge passes on knowledge to the recipient, expecting to receive another piece of knowledge. 'Knowledge exchange' is an involuntary process, which is facilitated through contracts between the involved parties. In contrast, 'knowledge sharing' is viewed as a voluntary process, which takes place through social interaction (Boyd et al., 2007).

Hooff and Ridder (2004) define knowledge sharing as the process in which individuals share their knowledge mutually—an activity which results in new knowledge. In this definition, the process of sharing implies two active processes which are knowledge donating, in which individuals actively communicate to others what they know, and knowledge collecting, in which individuals actively consult others in order to learn what they know. The same idea is proposed by Ardichvili et al. (2003) who indicate that the equation of knowledge sharing implies two sides: the supply of new knowledge and the demand for new knowledge.

Furthermore, Hendriks (1999) suggests that knowledge sharing implies a relationship between two or more parties which are the possessor of the knowledge and the acquirer of the knowledge. These definitions indicate that the process of sharing requires at least two parties. Boyd et al.(2007:140) explain that in the case of knowledge sharing "there are many knowledge owners and recipients and each party involved can be a knowledge owner and a recipient simultaneously". In addition, the definition of Hooff and Ridder (2004) indicates that knowledge creation is the result of the knowledge sharing process, which is in line with the definition of Boyd et al.(2007:140), that knowledge sharing is the "disclosure of existing knowledge to others- thus creating new knowledge". A new point regarding the definition of knowledge sharing is made by Ipe (2003), who claims that knowledge sharing is a process wherein knowledge is converted to be understandable, absorbable, and usable to be shared by individuals. The ideas of creation and conversion in the previous definition may be consistent with the ideas of Nonaka and Takeuchi's (1995) model of knowledge creation according to which they claim that the basis of knowledge creation is the conversion of tacit knowledge to explicit knowledge and vice versa. Organizational knowledge is created through continuous interaction among individuals and continuous conversion between the two forms of knowledge.

Based on the previous discussion, the term 'knowledge sharing' is adopted in this study to refer to its wider meaning, involving mutuality and emphasizing social interaction. However, when referencing and citing the work of others, their original terms were kept, even when they adopted the terms 'transfer' or 'exchange' to refer to what is understood in this study as 'sharing'.

2.3.2 Knowledge sharing models

There are several models and frameworks for knowledge sharing. In the following section, a number of these models will be discussed with the aim of gaining a better understanding of knowledge sharing.

- **Conduit Model (Transmitter- Receiver Model)**

In this model, explicit knowledge is transferred from the sender to the receiver. The sharing here occurs through an unidirectional process from the sender to the receiver (Bolisani and Scarso, 2000).

Communication Channels
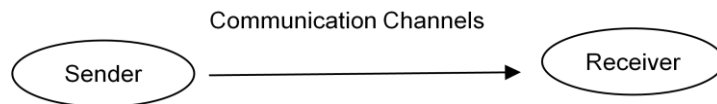
Sender ——————————→ Receiver

Figure 2.1 The Conduit Model.

Source: (Bolisani and Scarso, 2000:121)

This model assumes, according to Hislop (2002), that the sender can produce the entire relevant body of knowledge while the former is isolated from the receiver. The sender then transfers it to the receiver who is able to gain, understand, and make use of the knowledge without interaction with the sender. This model also assumes that the knowledge is not affected by this process and is transferred without losing any of its aspects or contents.

- **Knowledge Sharing between Individuals in Organizations Model**

Ipe (2003) identifies four major factors that influence knowledge sharing between individuals in organizations. They are: the nature of knowledge, the motivation to share, the opportunities to share, and the culture of the work environment. Based on these factors, Ipe develops his model of knowledge sharing between individuals in organizations. The idea of the model suggests that the four factors are interconnected

with each other. Each of these factors influence the others and all of them together create the ideal environment for knowledge sharing, but not all of them have the same effect on knowledge sharing in all organizational settings because each of the factors itself can be affected by other external factors, such as the objective of the organization, its structure, or its culture.
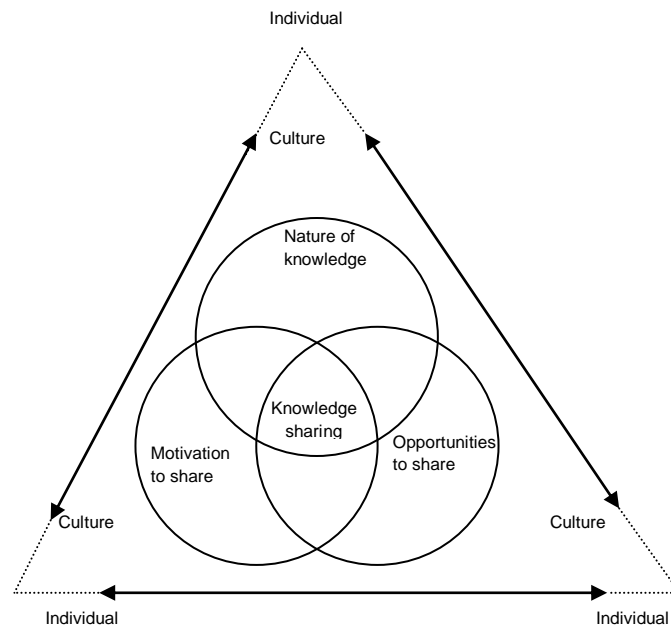
Figure 2.2 A model of knowledge sharing between individuals in organizations.

Source: (Ipe, 2003:352)

- **The Knowledge Sharing Framework (Actors Framework)**

Knowledge sharing in the Actors Framework (Keong and Al-Hawamdeh, 2002) is viewed as a process which takes place between two actors or sets of actors. Keong and Al-Hawamdeh identify four different possibilities for this framework. First, this process may take place in a one-to-one relationship where two individuals, one on each side, are involved, such as a conversation between two people over a cup of tea. Alternatively, this interaction may take place in a one-to-many relationship, where an individual is in one side and interacts with many others on the other side, such as a lecturer giving a

presentation. A third possibility is that interaction may take place in a many-to-one relationship, such as in the co-writing of a work, where many authors speak to the reader through their work. Finally, it may occur in a many-to-many relationship, such as a working team making a presentation to a panel of judges. According to this framework, there are three possible ways or channels for sharing knowledge: unmediated face-to-face, technology mediated face-to-face, and documentation. The knowledge sharing process can be affected by different factors which are related to the actors who share, the knowledge being shared, the channel used to share, the organization involved, or the broader environmental climate. The details and consequences of these different factors are detailed below.

Factors arising from the actors

The model assumes that each of the actors involved in the knowledge sharing process has an attribute set. In order to modify the factors related to the actors, attributes of the actors need to be modified. These factors include communication skills, people skills, motivation, absorptive capacity, reputation, appreciation of the importance of knowledge, incompatible personality, disciplinary ethnocentrism, and technophobia.

Factors arising from the channel

The channel is a means of communication between the actors. The main difference between the three channels mentioned earlier is the richness of the communication they offer. The unmediated face-to-face channel is the richest form because it allows actors to ask for more clarification and elaboration of the knowledge shared. This channel, however, has the downsides of requiring a specific time and location, and also the fact that it is often unrecorded.

Factors arising from organizational environment

The organizational environment is the place in which knowledge sharing takes place. There are several barriers related to the organizational environment: organizational structure, reward system and incentives for knowledge sharing, availability of knowledge sharing champions, office layout, work design, staff tenure or length of service, management support, and organizational culture.

Factors arising from the knowledge being shared

Tacit knowledge is that type of knowledge which is carried in individual's mind and difficult to articulate due to the fact that oftentimes knowledge-holders are not aware of the knowledge they possess or how it can be shared or made available to others. Accordingly, this knowledge is not easily shared.

Factors arising from the climate

Such factors include those relating to economic, political and cultural factors.
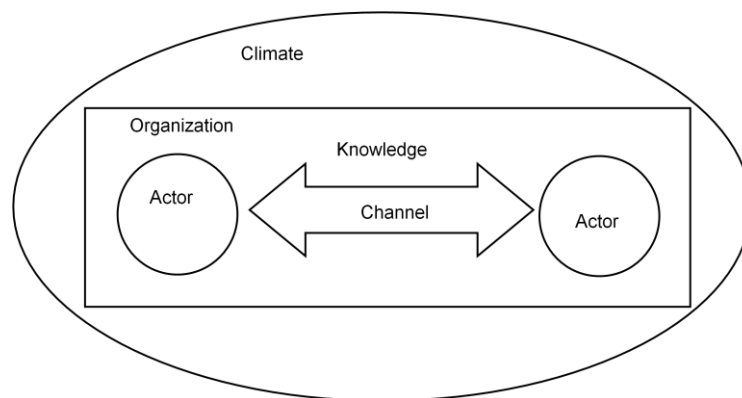
Figure 2.3 Knowledge Sharing Framework.

Source: (Keong and Al-Hawamdeh, 2002:52)

- **SECI Model (Knowledge Creation Model)**

One of the most discussed models in the knowledge management literature, such as (Li and Gao, 2003; Alkhaldi and Olaimat, 2006), is the SECI model (Nonaka and Takeuchi, 1995). Nonaka and Takeuchi (1995:61) point out that "the idea of knowledge conversion may be partially consonant with the ACT model developed in cognitive psychology". As an illustration, the ACT model assumes that declarative knowledge, which is explicit knowledge in the knowledge creation model, must be transformed into procedural knowledge, which is tacit knowledge in the knowledge creation model, in order to develop cognitive skills. Further, the ACT model views the transformation as unidirectional from declarative to procedural, while the SECI model views the transformation as interactive and spiral.

In the knowledge creation model, the basis of organizational knowledge creation is the conversion of tacit knowledge into explicit knowledge and vice versa. Organizational knowledge is created through the continuous interaction (transfer) among individuals and continuous conversion between the two forms of knowledge. The knowledge creation model emphasizes the interaction between tacit and explicit knowledge and concerns the conversion between tacit and explicit knowledge through four modes— socialization, externalization, combination, and internalization—by which knowledge sharing takes place.

		To	
		Tacit	Explicit
From	Tacit	Socialization	Externalization
	Explicit	Internalization	Combination

Figure 2.4 Four modes of knowledge conversion.

Source: (Nonaka and Takeuchi, 1995:62)

Tacit to tacit (socialization)

Socialization is the mode of knowledge sharing in which individuals share their internal knowledge in such a way that tacit knowledge is converted to further tacit knowledge. Tacit knowledge is transferred through the interaction between the individuals. Individuals can gain knowledge without using language as they can gain it through observation and practice. Shared experiences are a key attribute for tacit knowledge sharing.

Tacit to explicit (externalization)

In this stage, tacit knowledge is converted to explicit knowledge. Although tacit knowledge is difficult to convert into explicit, some proportion of individual's tacit knowledge may be captured in explicit form through conceptualization, elicitation, and articulation, typically in collaboration with others, such as dialogue among team members, responses to interview questions, or through the elicitation of stories.

Explicit to explicit (combination)

In this stage, explicit knowledge is combined with other explicit knowledge to create new knowledge. New explicit knowledge can be created when explicit knowledge

undergoes a combination process, such as in the examples of search engines that link data together, or joining and compiling databases to yield new combinations of data.

Explicit to tacit (internalization)

This stage is linked to learning by doing. Explicit knowledge is converted to tacit knowledge when individuals learn from that explicit knowledge. The explicit knowledge becomes part of individual's base, such as mental models or technical know-how, and becomes a valuable asset.

However, although this model has inspired many researchers and been widely applied in different disciplines and social contexts, there are some studies that reveal its shortcomings (Li and Gao, 2003; Alkhaldi and Olaimat, 2006). When Nonaka and Takeuchi draw on Polanyi's dichotomy of knowledge they did not differentiate between tacitness and implicitness, which is another form of expressing knowing and implies that one can articulate knowledge but is unwilling to do so for specific reasons under certain settings, such as intrinsic behaviour, or cultural customs (Li and Gao, 2003).

Li and Gao (2003:8) argue that "for expanding the model into broader areas, we cannot ignore the idiosyncrasy of Japanese settings that the theory is embedded in. The importance of the separation of tacitness and implicitness is to discern the target of the theory". They, also, note that arranging activities to make implicitness explicit within a certain group through motivational and incentive plans would be effective for the purpose of reusing the knowledge by larger groups of individuals within the organization, while arranging activities to share individuals' tacit knowledge may not be promising for organizations.

In summation, although these models of knowledge sharing have similarities, they are different in a number of key ways. On the one hand, they all suggest that the process of knowledge sharing requires the involvement of the individuals. Further, two or more parties are required in the process of knowledge sharing. On the other hand, they diverge in their view of the nature of the relationship between the parties that are involved in the sharing. To illustrate, the conduit model is based on the objectivist view of knowledge where the focus is on the explicit over tacit knowledge. The sender in this model transfers explicit knowledge which he produces in isolation to the receiver without any form of interaction, whereas the other three models emphasise the importance of interaction between the individuals who are involved in the sharing process. For example, in the knowledge creation model, organizational knowledge is created through the continuous interaction among individuals and the continuous conversion between the tacit and explicit knowledge.

2.3.3 Approaches to sharing knowledge

A number of approaches can be used to share knowledge in organizations. Hansen et al. (1999) offer two distinct, opposing knowledge management strategies, those of codification and personalisation. Their belief is that a combination of the two strategies, albeit with greater emphasis on one of them is the best knowledge management strategy. The former is considered highly effective when dealing with explicit knowledge, whereas the latter is considered so when it comes to tacit knowledge. Due to the fact that such forms of knowledge are intertwined, an organisation must consider which strategy is best for the integration of the two—with an emphasis on one for optimum results. Furthermore, their utilization should be determined by the dominant form of knowledge within an organisation, as they each contain contrasting aspects and features.

Codification obtains, organises, labels, and makes available knowledge involved in everyday troubleshooting. It thereby ensures the uniform, manifold re-use of explicit knowledge in decision making, which, in turn, justifies the intensive investment the strategy requires. Therefore, organisations using this strategy should encourage staff to use and contribute to information repositories.

Personalisation disseminates tacit knowledge to create unique solutions for strategic issues that lack an appropriate precedent. This is accomplished by facilitating communication amongst individuals, who are directed by questions regarding to the type of solution sought and who may be aware of it. This leads to an increased frequency and improved quality of communication and, by its individualistic nature, requires only minimal investment (Hansen et al., 1999; Wyatt, 2001).

Moreover, Bartol and Srivastava (2002) identify four major approaches to sharing knowledge in organisations, based on the taxonomy of knowledge management strategy proposed by Earl 2001. The approaches are: databases where employees can participate and pose their ideas and experiences; formal interaction which takes place within teams or units or across employees who work in different teams or departments; informal interaction; and communities of practice. The first approach is consistent with codification strategy and the last three are involved in personalization strategies for sharing knowledge (Bartol and Srivastava, 2002). Another taxonomy of knowledge sharing approaches is that formal and informal channels. This taxonomy is based on the nature of the channel (Pan and Scarbrough, 1999; Ipe, 2003). Formal channels, such as training programs, teams work, and technology-based systems, provide a structured environment for employees to share their knowledge and experiences (Pan and

Scarbrough, 1999). These channels can be of great support to explicit knowledge sharing (Nonaka and Takeuchi, 1995).

Although formal accesses to sharing knowledge are of great importance, effective sharing can take place through informal accesses, such as personal relationships, social networks, and communities of practice (Pan and Scarbrough, 1999; Ipe, 2003; Cummings and VanZee, 2005). Al-Hawamdeh (2003:125) argues that "the best way to share knowledge is through social interaction and informal learning processes such as storytelling, conversation, coaching, and apprenticeship".

The study of practices employed by Xerox illustrates successful knowledge sharing through informal access. Effective problem-solving in Xerox was the result of the informal interactions during breakfast, coffee breaks, and lunch whereas the error codes system that was designed to identify and resolve problems in machine documentation was found to be inadequate. Through the social activities encouraged by the company, employees discussed such aspects of their work as what problems they face and what they do to solve them. As a result of this social relationship they felt comfortable to call each other, consult, and ask for advice (Woods and Deegan, 2006).

Another example of informal access to sharing knowledge is that of the United Nations Development Programme's knowledge networks or communities of practice. The Programme encompasses twenty knowledge networks including six practice networks, four knowledge networks which are open to United Nations Agencies and external partners, two cross-cutting networks, and eight sub-practice networks. They focus on connecting those who have knowledge with each other rather than collecting knowledge in an online repository, although the collection of such data is not ignored where

relevant. These communities of practice or networks have been the main reason for organizational change, such as the role of the United Nations Development Programme as programme manager has been changed into the United Nations' global development network (Henderson, 2005).

However, despite the fact that communities of practice are one of the most effective means to share knowledge boundaries, they can create their own barriers to knowledge sharing. The purpose of these knowledge boundaries is to keep the value and interests of members within the communities of practice, however these boundaries can become barriers because they keep knowledge in as well as out of communities of practice (Newell et al., 2002).

2.3.4 Motivation for knowledge sharing

Although knowledge sharing is of fundamental importance to knowledge management success, it could also be a barrier as how to motivate individuals to share their knowledge is one of the most difficult issues in knowledge management (Lee and Ahn, 2007). As an illustration, 'how to motivate individuals to contribute their knowledge to the knowledge management system' was one of the most cited problem issues in the survey of two thousand and seventy three knowledge management practitioners and executives throughout United States and Canada (King et al., 2002).

Human motivation is critical for the knowledge sharing process (Bartol and Srivastava, 2002; Ardichvili et al., 2003; Ipe, 2003; Yang, 2004b; Burgess, 2005; Hislop, 2005; Andriessen, 2006; Lee et al., 2007). Hislop (2005) proposes three factors that explain why the motivation for knowledge sharing is important to be considered. The first factor is related to the character of organizational knowledge. Because tacit knowledge is

personal (Nonaka, 1994) and resides in the individuals' heads and skills (Newell et al., 2002), sharing takes place through interaction and communication which requires the holder's willingness (Burgess, 2005; Hislop, 2005). The second factor is related to the knowledge ownership within an organization. Do the organization or the workers have the power and control over the knowledge? This may create tensions between them, and consequently, the willingness of employees to share their knowledge may be affected. The nature of the employment relationship is not the only cause of conflict in organizations but also the different interests between individuals and groups within the organization may cause conflict. The difference in interests can be stem from a number of reasons such as the competition between individual or groups over rewards or promotions. Therefore, the conflict in an origination, which is the third factor, combined with the belief that knowledge is a source of power can affect the willingness of individuals to share knowledge. Thus, individuals may not share without strong motivations (Hislop, 2005).

Motivations discussed in the knowledge literature to refer to motivations of individuals. Individual motivations are classified into intrinsic motivations such as power, reputation, and self-satisfaction, and extrinsic motivations such as rewards, recognition, and promotion (Ipe, 2003; Burgess, 2005; Lee and Ahn, 2007). Although motivations, such as an organization's system of rewards, can lead to motivation to contribute to knowledge sharing, these rewards can also create barriers to knowledge sharing when employed inaccurately. It is therefore important that incentive systems should be structured to motivate and reward employees who share their knowledge with others (Gold et al., 2001).

2.3.5 Barriers to knowledge sharing

Despite the understanding of the benefits of knowledge sharing and its importance for success, organizations sometimes fail to achieve such goals because of the difficulties and various barriers that prevent individuals from sharing their knowledge and experiences (Idrees et al., 2007). Galbraith (1990) found that ten of thirty two attempts to share knowledge from a unit to another in one organization failed, as cited in Kane et al's study (2005).

Although it is evident that knowledge sharing helps organizations to succeed, knowledge sharing can be difficult to achieve for several reasons related to the nature of knowledge being shared and the relationship between individuals who share this knowledge (Szulanski, 2000; Kane et al., 2005). Tacit knowledge includes cognitive elements such as insights, perceptions, beliefs, and values that help people to understand their world, and technical elements such as skills, know how, and experience attached to practice (Nonaka, 1994; Allee, 1997). This type of knowledge resides in one's head and skills (Newell et al., 2002), and as such it is mostly stored in individuals and difficult to make unembodied. This characteristic of tacit knowledge makes it difficult to be shared and time consuming to communicate or express (Haldin-Herrgard, 2000; Hislop, 2002).

Organizational factors, such as infrastructure, resources, and organization's goals and strategies, affect the success of one's knowledge management program and can create barriers to the sharing process (Riege, 2005; Zhang et al., 2005). The lack of proper infrastructure and sufficient resources may lead to the failure of knowledge sharing (Gold et al., 2001). Further, infrastructure and resources must be updated according to

the growth of the organization otherwise they can be an impediment to the knowledge flow due to inefficiency (Riege, 2005).

Also, the lack of integration of knowledge management strategy into the organization's goals and strategies would lead to disappointment and failure (McDermott and O'Dell, 2001). The most successful knowledge management programs are those that integrate with the business and its goals. All companies demonstrating best practices that McDermott and O'Dell (2001) studied emphasized that knowledge management programs fail mainly because a clear connection between knowledge and business goals is missing. McDermott and O'Dell (2001) propose three ways by which to connect knowledge sharing to business: directly incorporating knowledge sharing into business strategies within an organisation; the implementation of key knowledge sharing initiatives, enabling the standardization of products and procedures; and ensuring that knowledge sharing becomes an integral part of the operational culture within the business. Notably, the culture of an organization can be the main barrier to effective knowledge management (Gold et al., 2001). It is therefore of high importance to match knowledge sharing with the existing values and the overall style of an organization rather than changing the culture to fit the knowledge sharing (McDermott and O'Dell, 2001).

It is not only organizational factors which can create barriers to share knowledge but also individual factors, such as culture diversity, power and status, time, and language and communication skills (Riege, 2005). For Nonaka (1994), tacit knowledge must be converted to explicit knowledge in order to share which is time consuming. Further, employees share their knowledge as to the cost of their duties' time, which is one of the

organization's resources, or their off hours (Lee and Ahn, 2007). Therefore, time and efforts that are required for knowledge sharing can be sources of barriers to share knowledge (Haldin-Herrgard, 2000; Riege, 2005). Also, Idrees et al. (2007) in their study to define barriers to knowledge sharing in hotels within the religious destination of Saudi Arabia discovered that language is one of the barriers that may prevent effective knowledge sharing. Due to this language barrier, hotel managers find it difficult to communicate with their employees and give them instructions. Employees not only prefer but find it easier to exchange knowledge with those who speak the same language and have a similar ethnic background.

Another difficulty is related to the power that knowledge can provide for those who have it. Knowledge has become a valuable asset in the organizations, so, accordingly, employees may consider their unique knowledge as a power which may be lost if they share it with others. When sharing knowledge with others may threaten their position or status within the organization, employees will be reluctant to share their knowledge (Lee and Ahn, 2007).

Moreover, national cultures can create a barrier to knowledge sharing (Barkema et al., 1997; Rodriguez et al., 2003; Riege, 2005; Idrees et al., 2007). Lucas (2006) examines the role of culture in knowledge transfer within multinational corporations whose subsidiaries operate in diverse national cultures. Based on Hofsted's (1997) framework, Lucas (2006:257) argues that "the location of subsidiaries along each of these cultural dimensions will significantly impact the possibility of knowledge transfer occurring between subsidiaries". He suggests that since knowledge is embedded in technologies, routines, practice, and people, understating of them will lead to successful knowledge

transfer. Taking this into account will lead in turn to finding out what and where challenges exist, and how social context, of which culture is an aspect, may affect knowledge transfer. Knowledge transfer, he claims, takes place successfully when subsidiaries are located in similar cultural contexts. It is stated that cultural diversity in organizations can be seen clearly in the different communication and decision making systems, and also in the different symbols and languages used (Fedor and Werther, 1995). Mwaura et al. (1998) investigate the effect of national culture in China on work environment and on employees of international hotel companies operating there. They found that national culture can have a major effect on workplace and they identify several aspects of Chinese culture which affect the assimilation of a foreign corporate culture. National culture is what determines people's ways, understanding and actions within a country and lack of appreciation of the these distinctions between peoples can cause business failures (Steenkamp, 2001).

In summation, there are different enablers as well as barriers to knowledge sharing. These enablers and barriers originate from sources related to the nature of knowledge being shared, organizational factors, and individual factors. Motivation of individuals is a critical driver for knowledge sharing. It can be intrinsic motivation such as interests, or an extrinsic motivation such as rewards. Individuals sometimes hoard their knowledge because of such factors as infrastructure and resources of the organizations and the lack of clear link between knowledge sharing and business goals, culture diversity, and language and communication skills. However, the sources of the drivers of knowledge sharing are very similar to the sources of barriers. Therefore, organizations can succeed

both from gaining motivational practices, and prevent knowledge hoarding tendencies, if they take these factors carefully into account.

2.4 Inter-organisational knowledge sharing in tourism and hospitality

A review of the literature discussing the benefits of knowledge sharing, supplemented by a specific review of the research carried out with respect to the tourism industry specifically, will provide valuable insight into the nature of inter-organisational knowledge sharing in the tourism and hospitality industry. The literature demonstrates that the sharing of knowledge is beneficial to any business. In order to understand how it is that knowledge sharing is beneficial, the following review will examine the ways in which knowledge sharing is achieved. The importance of networks will be discussed in order to gain insight into the way that knowledge is transferred outside of the boundaries of an organization. It will become clear, however, that the hospitality industry may have a unique set of opportunities that can aid the diffusion of knowledge. The details of this possibility, as well as the particular challenges which could obstruct the exchange of knowledge, will be examined in detail.

Being a relatively new discipline, knowledge management is reliant on existing frameworks extrapolated from other disciplines (Easterby-Smith and Lyles, 2003; Beesley and Cooper, 2008), such as organizational learning (Senge, 1994), social interaction (Nonaka and Takeuchi, 1995; Beesley, 2005), networking (Beeby and Booth, 2000), and communities of practice (Wenger and Snyder, 2000; Verburg and Andriessen, 2006). Furthermore, a number of different theories have been used to explain knowledge sharing. Communication theory (Shannon and Weaver, 1949) is one

of the theories which is regularly employed to explain the difficulties inherent in the knowledge sharing process. Following this theory, a transfer of knowledge is linked to message transmission from a source to a recipient within a context; the theory takes into consideration any aspects of the message or its context that restrict or obstruct the flow of information (Szulanski, 1996). Another group of theories used to explain knowledge sharing include organisational learning theories, which place greater emphasis on the continual acquisition of knowledge (Szulanski, 2000). The relatively recent emergence of this discipline may be explained as a sign of the times, with society moving into an age dominated by information and away from the manufacturing era. Furthermore, the advent of this new age has led to the development of new businesses and business models, which has allowed competitive advantages to be derived, resulting in lower overall costs and a corresponding increased scope for competition (Porter and Millar, 1985).

Argote (1999) defines knowledge management as the way in which organisations attempt to generate, retain, and disseminate knowledge. This concept further examines the differences between how knowledge is, on the one hand, shared within an organisation, and, on the other hand, shared between organisations. Within the discipline, there has been a particular emphasis upon the learning process, with the consensus amongst practitioners holding that in order for knowledge sharing to be considered successful, there must be as equal a focus upon generating knowledge as there is on the communication of that knowledge (Cummings, 2003). Such a balance, according to Cummings (2003) is crucial for those engaged in innovation and development, as without ideas or insight, labour, capital and technology cannot be

driven effectively towards the production of goods and services and, as a result, all these resources will not generate growth. Ideas, therefore, can be seen as the trigger for investments, which, in turn, generate economic development (Freeman, 1982).

To illustrate the importance of knowledge sharing in the economic fortunes of nations, we may consider a comparison between the countries of East European bloc and Asian newly industrializing economies such as Hong Kong, Korea, Singapore and Taiwan (Pack, 2000). For both sides, education was considered as central to economic development. However, while the former focused on the internal accumulation of knowledge (Nelson and Pack, 1999), the latter placed emphasis on the sharing of knowledge (Pack, 2000). Not only did they willingly incorporate this knowledge into their production process, they, in equal measures built upon and improved it, which has allowed competitive advantages to be created and sustainable growth to thrive (Pack, 2000). Although in the case of the East European bloc, useful banks of knowledge were created, the insight available within such repositories was limited by a lack of knowledge sharing and, consequently, their economies have not benefitted in the way those of the newly developed economies have done so in recent decades (Nelson and Pack, 1999; Pack, 2000).

Research has concluded that organisations benefit from knowledge sharing when they are open to fresh ideas from multiple sources. However, in order for ideas to be useful for economic development and, consequently, growth, they must circulate widely within organisations as well as be broadcast outside them and shared between them (Arrow, 1999). Therefore, organisations require not just the ability to apply new ideas, but they

must also be fully cognizant of what ideas they are applying, where they come from, and why they are useful for the organisation to apply.

A number of studies have focussed on the informal aspect of knowledge sharing which includes the sharing of knowledge through networks of individuals (Skyrme, 1999). Such individuals create cross-organisational networks, which are of primary importance in facilitating knowledge sharing (Monge and Contractor, 2003). These networks, according to Uzzi and Lancaster (2003), are not confined to a single organisation; rather, they encompass more than one organisation within a particular industrial sector. This leads some writers to view networks as a key aspect of inter-organizational knowledge transfer (Kogut, 2000; Monge and Contractor, 2003) and leads others to suggest connections for firms as approaches for development (Tang et al., 2008).

Furthermore, such networks allow knowledge to be accessed (Kogut, 2000; Reagans and McEvily, 2003); therefore, fresh ideas can be imported into organizations which may lead to growth, development, and expansion for such organizations (Kogut, 2000). Furthermore, Lawson and Lorenz (1999) found out that collective learning within the community of regionally clustered organizations leads to greater innovative capacities. On the other hand, networks may not prove useful due to the fact that the full engagement in which is a time-consuming process, involving the initial creation of such networks, the ability to refine them to the point whereby they can facilitate knowledge sharing effectively and, in addition, the lengthy amount of time it takes for knowledge to be channelled through such a network (Halme, 2001). Others, such as Gulati (1998), have argued that another issue is presented by the fact that many such networks are

formed on the basis of economic and social needs of the participants rather than on effective knowledge exchange.

Furthermore, Beeseley and Cooper (2008:52) argue that network are insufficient for knowledge to be shared as they "act as conduits for knowledge transfer to take place, but it is the depth of understating that transpires through two-ways communications among individuals that leads to knowledge transfer". This means that although, in theory, networks may be valuable resources for knowledge sharing, there is no guarantee that they will always be effective. Accordingly, all networks take different approaches to knowledge sharing, with, consequently, the knowledge sharing capability varying from one to another (Zaheer and Bell, 2005). This distinction demonstrates the varied quality of networks, something that is particularly evident in the strength of the links within the network. It is believed strong ties will result in more effective and pertinent knowledge sharing results than weak ties (Reagans and McEvily, 2003). The strength here reflects the closeness of relationship between partners, and increases with frequency of interaction and communication (Hansen, 1999).

Additionally, research links the central network position of organizations with heightened levels of organizational knowledge sharing (Powell et al., 1996; Ahuja, 2000; Tsai, 2001). In other words, an actor who occupies a central position creates a brokerage position, enabling it to locate relevant knowledge and exchange it within the social network (Burt, 1992). Therefore, firms which occupy central positions, according to Tsai (2001) may access other actors more easily, as well as acquire more diverse knowledge. However, it is not simply the position within any given network that

determines the actor's ability to absorb new knowledge, it also their own ability to do so that is crucial.

In order to profit from an inter-organisational relationship, trust needs to be a key and functional element of this relationship (Narteh, 2008). It is argued that inter-organisational knowledge sharing is determined by trust (Niu, 2010). For researchers (Alter and Hage, 1993; Dodgson, 1993; Narteh, 2008; Niu, 2010), trust is considered a pre-requisite for the success of inter-organisational relationships as it increases partners' willingness to commit to helping each other understand new external knowledge (Lane et al., 2001). Furthermore, trust facilitates both the request and offering of information within a stable relationship (Inkpen and Tsang, 2005). On the other hand, others argue that a high level of trust may also create collective blindness and prevent the efficient sharing of knowledge (Wijk et al., 2008). Also, too much trust can have the potential to open doors to misconduct by increasing the temptation to manipulate colleagues when possible. While this may not occur, such high levels of trust may be an obstacle to inter-organizational reform, their existence acting to as a barrier to progress by maintaining the current order or status quo (Sydow, 2000).

With regard to the tourism sector, previous research suggests that especially in locations that can be described as tourist destinations, there is a wealth of operating inter-organizational networks (Pavlovich, 2003; Goeldner and Ritchie, 2006). The tourism industry consists of a number of particular sectors: transportation, accommodation, food services, attractions, events, adventures and outdoor recreation, entertainment, travel trade, government sectors, in addition to the tourists themselves (Goeldner and Ritchie, 2006). As a result, "the tourism destination generally comprises different types of

complementary and competing organizations, multiple sectors, infrastructure, and an array of public/private linkages that create a diverse and highly-fragmented supply structure" (Pavlovich, 2003:203). A wealth of knowledge exists in the various actors of the tourism sector and in the transitional nature of the business, which means that knowledge sharing can be facilitated through the inherent structures of the industry (Farrell and Twining-Ward, 2004). Thus, authors such as Cooper (2006) suggest that inter-organizational knowledge sharing should be encouraged in order to tap into the advantages and increases of productivity that such a knowledge management system has to offer. Furthermore, with organisations in the tourist destination sharing common aims, cooperative associations are often formed—evidence that knowledge sharing can be successfully employed within the tourism sector (Dredge, 2006).

Pavlovich (2003), argues that tourism development can be promoted through the existence of a network as such networks enable organizations to learn from others within the market, increasing their capacity for innovation and, in turn, their productivity (Fadeeva, 2004). Authors such as Hu and Racherla (2008) argue that networks have the ability to facilitate knowledge sharing, by creating the structure within which knowledge sharing can occur. Furthermore, networks may allow tacit knowledge, which is an important source of competitive advantage within the tourism sector, to build up and become diffused throughout the cooperative members of the industry. Hence, organisations operating within this sector are able to reap the benefits which knowledge sharing in general, and networking, in particular may offer (Pavlovich, 2003). It is acknowledged, therefore, that the principle of give and take is an essential part of sustained success in both the knowledge sharing and maintenance of relations, allowing

knowledge to be shared in a multilateral fashion (Stokowski, 1994). Tacit knowledge, according to Cooper (2006), is used to achieve the goals that are set by networks within organizations. On the other hand, explicit knowledge tends to be transferred in inter-organisational networks. This knowledge is important in the tourism industry, since the industry relies on detailed market knowledge in order to be able to formulate business strategies consistent with the environmental conditions of the market (Pyo, 2005). However, studies have suggested that relying upon people as the sources of knowledge may be problematic within the tourism industry. Hjalager (2000) cites reasons for this difficulty as including the lack of formal personnel training and high levels of staff turnover that characterise firms within the industry. In addition, the industry suffers from a distinct lack of defined career opportunity. One potential solution that has been suggested to resolve these difficulties is increased emphasis and reliance upon the sharing of knowledge that lies within trade and technology (Hjalager, 2002). This suggestion indicates that the tourism industry may be in need of specialist methods and new, innovative technologies to support and facilitate the sharing of knowledge. The tourism industry thus faces additional challenges in the process of the implementation of knowledge sharing (Cooper, 2006).

In conclusion, the literature demonstrates the unique opportunities available for inter-organisational knowledge sharing in tourism industry. Research conducted has revealed that the best practices in knowledge sharing are those which take into consideration both internal and external sharing are of equal importance if knowledge sharing is to be of benefit to the parties involved. Additionally, the manifold networks operating within the tourism and hospitality industry function as a cross-section of knowledge. Those

engaged in knowledge sharing must give consideration to the role these networks do and can play in the industry, with specific reference to questions of trust amongst members. Such activities must be supported by investment in further research leading to the discovery of new methods of knowledge sharing geared specifically towards the needs of the tourism and hospitality industry.

2.5 Religious tourism and hospitality in Saudi Arabia

This section focuses on religious tourism and the hospitality industry in Saudi Arabia. It demonstrates the meaning of religious tourism in Saudi Arabia and its characteristics. Furthermore, it shows how hospitality in Saudi Arabia has changed from a local business to an international business which attracts investors from around the world. Finally, this section of the literature review illustrates how religious tourism and hospitality is a knowledge based industry.

2.5.1 Definition

Religious tourism in Saudi Arabia consists of the journey where pilgrims visit the two holy cities of Makkah and Madinah in order to perform the Hajj and Umrah rituals which are basic in Islamic religion. Hajj, which is the fifth pillar of Islam, is a pilgrimage to the holy city of Makkah which all Muslims must perform at least once in their lifetime if they have the physical and financial abilities to do it. Umrah is one of the most important rituals in Islam and also involves a visit to the holy cities. Although Hajj and Umrah must be performed in the holy city of Makkah, visitors usually visit Madinah either before or after going to Makkah to perform Hajj or Umrah due to the existence there of the holy mosque and tomb of the prophet Mohammed. The existence of the holy mosque in Madinah gives it its significance and makes it the heart of Islamic world.

However, "a visit to Madinah is not part of Hajj or Umrah but the deep affection in which the prophet held the city and its intimate connection with the birth of Islam puts it on the itinerary of most pilgrims" (Ministry of Hajj, 2007).

2.5.2 Characteristics of religious tourism in Saudi Arabia

Hajj and Umrah rituals have been performed for fourteen centuries since the emergence of Islam (Ministry of Hajj, 2007). This form of religious tourism is distinguished from others mainly because of three main factors. The first factor is associated with the substantial number of pilgrims, who have come to a particular place at a particular time. The second factor is associated to the duration of the visits. The duration of a religious tour to the two holy cities is a period of three months. The actual time needed to perform Hajj is six days, which occurs between the eighth and thirteenth days of the last month of the Islamic calendar (Dhul-Hijjah but visitors start to come to Makkah and Maddinah in the first of Dhul-Qedah (the eleventh month) and leave in the middle or at the end of the first month of the following year. Umrah can be performed at any time during the year according to Islamic rules, but the majority of visitors prefer to perform Umrah in the holy month of Ramadan, so they come to spend the month in the holy cities and perform Umrah.

In contrast, pilgrimage to other holy sites may take between a few hours and one or two days. For example, Nazareth, which is known as city of Annunciation, is one of the most important Christian pilgrimage centres and heritage tourism sites in the world. Pilgrims who visit this sacred city tend to spend a few hours in the city. Their visits do not often include overnight stays or dining (Uriely et al., 2003). Uriely et al (2003:75) cited

Shoval (1998) to highlight the short visit of the tourists in Nazareth "slightly more than 95% of the city visitors are one day visitors who spend several hours in the city".

The number of pilgrims who came to Saudi Arabia used to be limited due to the costs required for the journey. This cost can be financial or something more intangible such as concerns regarding safety and security. Recently, the number of religious tourists visiting Saudi Arabia has grown dramatically as discussed earlier in the introduction chapter. There are many reasons for this. The main reasons are the affordable prices for the journey developed as individuals do not have to come individually. A solo journey can be prohibitively expensive, and has, in the past, prevented many individuals from making the pilgrimage. Instead, they can now join groups and come through travel agencies which make the cost of the journey much more affordable. Improvements to transportation has been another fundamental reason for the increase in pilgrimage numbers, as four airports in Saudi Arabia are international and receive flights from all over the world. The third characteristic of this type of religious tourism is that it is not greatly affected by the international economic situation or by changing environmental conditions; in other words, pilgrims will still attend in poverty or in disaster.

2.5.3 Religious tourism and hospitality industry as a targeted business

Tourism has a major effect on the economics of developed and developing countries. This is evidenced by the report of World Bank's "World Development Indicators 2000" which shows that more than 70% of the poorest countries in the world depend on tourism as "a key economics growth engine" (Hawkins, 2006:23). Moreover, the role of the tourism industry in the world can be seen clearly, according to the World Tourism Organization (2003) in the $3.6 trillion that generated by the industry in 2000, cited in

(Sadi and Henderson, 2005). In Saudi Arabia, tourism is the third largest industry after energy and manufacturing. According to World Tourism Organization, Saudi Arabia received 27.1% of Middle East tourists and 29% tourist revenues in 2000, cited in (Sadi and Henderson, 2005). The major role of religious tourism must be emphasized here due to its influence on the economy of the region.

However, the religious tourism market has been a source of living for Madinah and Makkah people for generations. Residents made money by providing accommodations and foods for visitors, and also by selling necessities and souvenirs to visitors. Many people had small hotels or houses to rent for visitors and those who did not have any were still able to gain some money by renting parts of their houses, which they were living in, during religious seasons. In recent decades, the small hotels and houses have been replaced with huge hotels, which operate according to the high standards issued by the Ministry of Hajj. This replacement is due to the significant and increasing number of visitors that the holy cities receive every year. Madinah, for example, receives about 6 million visitors annually (Edrees, 2005).

The hospitality business in Saudi Arabia attracts venture capitalists as well as international companies to invest in the area and has become a great target for them. As Mohamed Benamar, district director Saudi Arabia of the Rezidor hotel group, points out that "Saudi Arabia is one of our major growth markets and religious tourism will be our main focus" (Jackson, 2007). Statistics reveal that there are 1080 hotels and self-catering accommodation in Madinah (National Adilla Est, 2007) with ratings spanning the full spectrum. This number is expected to grow to cope with the growth of the visitors; the religious tourism market in Saudi Arabia is expected to grow about 20% annually over

the next decade and the number of visitors is predicted to double to 45.3 million by 2020 (Zawya, 2007).

At present, most of international companies of hotels have hotels in the holy cities and those that do not have them yet are planning to introduce them. Some of international companies have more than one hotel in the area with the distance between them only a few metres such as, in Madinah, Intercontinental Company has three hotels and Movenpick Company has two. This reflects the high level of competition between these hotels.

2.5.4 Religious tourism and hospitality as knowledge based industry

Industries such as IT, bio-tech, and aero-space are commonly held to be typical examples of knowledge-based industries (Pizam, 2007). Similarly, tourism and hospitality is a knowledge-based industry. The growing number of studies that focus on knowledge management in the tourism and hospitality industry such as Bouncken and Pyo (2002), Gronau (2002), Scott and Laws (2006), Wood and Deegan (2006), coupled with the growing number of journals and publications specializing in issues related to knowledge management in hospitality and tourism such as Knowledge Management in Hospitality and Tourism, and Knowledge Sharing and Quality Assurance in Hospitality and Tourism, give an indication that hospitality and tourism is increasingly viewed as knowledge-based industry.

According to The Progressive Policy Institute (1998), there are thirteen indicators or characteristics which are associated with knowledge-based economics. They are:

1. "More people work in offices than on shop floors

2. High and low-skills jobs have grown at the expense of mid-skill jobs

3. Globalization of trade

4. Increased foreign direct investment

5. Growth in entrepreneurship

6. Aggressive business competition

7. Collaboration among competitors

8. Persistent turbulence

9. Increase in consumer choices

10. Speed as an important competitive advantage

11. Proliferation of microchips

12. Falling computing costs

13. Inexpensive data transmission"

Pizam (2007) argues that it is possible to determine whether a particular industry is a knowledge based industry or not by using these characteristics as accurate markers. To prove his argument, Pizam examines the tourism and hospitality industry in developed countries using these characteristics. The conclusion of his study is that the tourism and hospitality industry is a knowledge based industry because it has most, if not all, of these characteristics of knowledge based industries. Further, although in the tourism industry the products and processes of operation to supply services is distributed in different types of industries, they all have one common attribute in that they are knowledge intensive service processes. This is because of the intensive use of knowledge in the service production processes and the high level of information needed for cooperative

and competitive activities. These activities make tourism industry close to 'New Economy' which maintains the intensive use of knowledge and information is its main feature (Kahle, 2002).

In addition, Woods and Deegan (2006) argue that the vast majority of people involved in working in tourism industry are knowledge workers. This is because of the involvement of their skills and know-how which leads to successful business practice.

However, the result of Pizam's (2007) examination can be applied to the religious tourism and hospitality industry in Saudi Arabia because most of the international companies that operate in the industry in the developed countries have invested in the religious tourism market in Saudi Arabia and have established their business there as mentioned above. This puts the religious tourism and hospitality market in Saudi Arabia in line with those in the developed countries.

2.6 Summary and implications for research

This chapter first demonstrates how a literature review can be used effectively in research where Grounded Theory approach is employed. Many authors caution as to when such a review of literature should take place in an effort to neither confound the data (Stern et al., 1982; Stern, 1994; Hickey, 1997) nor, as Cutcliffe (2000) has posited, leave the researcher with no basis of comparison or argument regarding existing and emerging theories on the topic. This final point implies that Grounded Theory can be incorporated successfully prior to data collection and analysis, as it aims to serve as a background to the studied area. Therefore, this position on the use of Grounded Theory has methodological implications for the present research. The literature was reviewed in phases. The review of literature in the first stage of the research process is crucial for

reducing the level of uncertainty regarding the context and the focus of the topic. The theories will then be used to identify relationships among emerged categories and their properties in a second phase that takes place after the core categories begin to emerge. Finally, the decided theoretical approach will aim to confirm the findings and support the present research theory.

The second part of this chapter analyzes the meaning of knowledge through the presentation of different views and perspectives of knowledge. Moving beyond the objectivist perspective that regards knowledge as independent and codifiable so that it can be accessed by others (Werr and Stjernberg, 2003) the view of knowledge as a social construct that depends on human interaction (Empson, 2001) implies a necessary subjectivity in that such interaction must occur between and among individuals. Therefore knowledge is intimately tied to the cultural and personal experiences of those people who produce it.

Furthermore, it is crucial to establish some connection between these differing perspectives as the research also implies that it is possible to blend these divergent epistemologies (Brown and Dugid, 1998; Cook and Brown, 1999). The subsequent debate over the definition of knowledge sharing considers knowledge sharing models, such as the Conduit model, the Actors framework and the SECI model and how such models allow for formal accesses and informal accesses to knowledge. Ultimately, there are enablers to sharing knowledge as well as considerable barriers in any organization or structure.

Regardless of any conflicting perspectives or obstacles in understanding knowledge sharing, the benefits of knowledge sharing are critical to the success of organizations in

the tourism sector. For the latter, networks are increasingly important as is their role in the process of knowledge diffusion. This would mean that an understanding of the way that knowledge is shared is also critical to understanding the efficacy of the network (Henderson, 2005). However, within the tourism industry, opportunities as well as potential difficulties may arise from a knowledge management strategy that relies upon knowledge sharing. Literature that discusses empirical evidence of those knowledge sharing mechanisms already present in the hospitality industry would suggest that more research on inter- organizational knowledge sharing would be necessary for a stronger and more thorough understanding of these mechanisms (Kogut, 2000).

As the hospitality industry in Saudi Arabia has morphed from a local custom to an international business, attracting investment from many of the major international hotel chains, the role of religious tourism must inevitably be considered within the discussion. Furthermore, it implies that there must be a more comprehensive understanding of the purpose of religious tourism in Saudi Arabia and its characteristics. Finally, as the international aspect of the religious tourism industry in Saudi Arabia develops, it becomes more reliant on inter- organizational knowledge sharing and this would mean that the industry in Saudi Arabia is evidently a knowledge-based industry.

Chapter 3 — Methodology

3.1 Introduction

In order for research to be undertaken, a form of organized enquiry is necessary. The aim of such an enquiry is to deliver information that contributes to solving a particular problem. A successful research project involves paying considerable attention to the selection of a research method with which to carry out the enquiry.

> "A strategy of inquiry which moves from the underlying philosophical assumptions to research design and data collection. The choice of research method influences the way in which the researcher collects data. Specific research methods also imply different skills, assumptions and research practices" (Myers and Avison, 2002:7).

The research method can therefore be considered as the blueprint to collect, measure, and analyze the research data. In practice, according to Silverman (2000), this data includes:

- The studied data.

- How they are obtained.

- Claims made about the data.

- Methods used to collect the data and reasons behind this selection.

- Methods used to analyze the data.

- The advantages and limitations of the used methods in collecting and analyzing the data.

This chapter is guided by Myers and Avison's definition. The first part of this chapter discusses the underlying philosophical assumption of this research project, taking into consideration the epistemological and ontological foundations and inductive and

deductive reasoning. The second part focuses on the research design. The data collection technique employed is presented and analysed in the third part. The fourth part of this chapter is concerned with the data analysis method. Finally, the application of Grounded Theory process is demonstrated in the last section.

3.2 Research philosophy

In order for a researcher to construct a research design, firstly philosophical foundations which guide the research design should be identified (Klein and Myers, 1999; Kane et al., 2006). For Klein and Myers (1999:76), "the most fundamental point is that the researcher should make the historical intellectual basis of the research (i.e., its fundamental philosophical assumptions) as transparent as possible to the reader and himself or herself. [...] and relate the particular strengths and weaknesses of the preferred philosophical direction to the purpose of the work". The following section will discuss the philosophy on which the research design is based through discussing the epistemological and ontological foundations as well as inductive and deductive approaches.

3.2.1 Epistemological and ontological foundations

Epistemology and ontology are philosophical disciplines. Epistemology is concerned with knowledge. It is the study of knowledge from all angles including the definition of knowledge, the foundation of knowledge, how knowledge is produced, what can be known, and how different disciplines judge knowledge and justify what knowledge is acceptable (Girod-Seville and Perret, 2001). It is also concerned with the methods and approaches that are used to study the social world. In particular, it addresses the question of whether the procedures and methods used in natural science can be applied to social

science (Bryman, 2004). On the other hand, ontology is the study of the nature of reality, including the nature of social entities. It addresses the question of whether social entities are objective and exist independently of the individuals which participate in them, or whether they are subjective and socially or semantically constructed from the perception, thoughts, and actions of the individuals (Girod-Seville and Perret, 2001; Bryman, 2004). There are different views about these issues. Positivism is an epistemological position which holds there is an objective reality, which exists independently from the research. It assumes that the real world can be modelled, as it is correctly and fully structured. Positivism appears to be based on ontological assumptions that the researcher is independent of the research undertaken (Kane et al., 2006) and makes "detached interpretations about those data that have been collected in an apparently value-free manner" (Saunders et al., 2003:83), and s/he does not affect or is not affected by the subject of the research. It is, therefore, positivists who are in favour of highly structured methods and quantifiable observation, such those are used in natural sciences can be applied in the social world (Bryman, 2004), are emphasized in this paradigm (Saunders et al., 2003).

In contrast, interpretivism, which is another epistemological position, denies the idea of using the same kinds of methods to study social reality as are used in natural science. They claim that the study of the social world needs different procedures and methods and that the human factor must be taken into account when these processes and methods are developed (Saunders et al., 2003; Bryman, 2004). Furthermore, interpretivists assume that the structure of the world is created in the mind of individuals through interaction with the world, based on the interpretation. Therefore, there are multiple

realities. Interpretivist arguments are based on the ontological assumption that views reality as inseparable from, and attached to, the observer. This attachment leads them to redefine the social world as "made up of interpretations. These interpretations are constructed through actors' interactions in contexts that will always have their own peculiarities" (Girod-Seville and Perret, 2001:17). Individuals make different interpretations according to the situation in which they live. As a result, their actions and their interactions with others are affected. Interpretivists, therefore, believe that individuals create their world by their own thoughts, insights, perceptions, and actions (Saunders et al., 2003).

Linking this to the study of knowledge management, one of the forms of knowledge – tacit– is not clear because it resides in minds and skills (Newell et al., 2002). Furthermore, knowledge sharing is viewed as a social process in which individuals mutually share their knowledge resulting in new knowledge (Magnini, 2008). Consequently, the issues studied in this research can be understood better by examining situations through these individuals' interpretations and perceptions. These situations are socially constructed and are the outcome of individuals' interactions; as such, it is important to understand the subjective reality of the participants in order to analyze their motives, actions, and intentions in a way that is meaningful for these research participants. Thus, the philosophical foundation of this research is based on the view that the world is socially constructed and that individuals create their world through their perceptions and interpretations — interpretivism.

3.2.2 Deductive and inductive

Deductive and inductive approaches are two contrasting views of the nature of the relationship between theory and research (Bryman, 2004). According to the deductive approach, which is usually associated with quantitative research, a certain assumption or hypothesis is important to begin the research. Based on what is known in the literature and the findings of previous research, a hypothesis is deduced to be either accepted or rejected (Saunders et al., 2003; Bryman, 2004). The deductive approach is thus a theory-testing approach. The researcher, after reviewing the literature, identifies a theory to be tested deductively. By contrast, the inductive approach is a theory-building approach, whereby the researcher constructs a theory which emerges from the data. This means the researcher begins the research with specific objectives, and, during the course of the research, findings emerge from certain dominant themes identified in the data such that, the "theory is the outcome of research" (Bryman, 2004:9).

However, for Hussey and Hussey (1997) and Bryman (2004), Grounded Theory as a theory-building approach includes elements of both the inductive and deductive methods. As an illustration, for this method, data collection and analysis takes place without composing a theoretical framework. As the research is carried out, a theory emerges which then needs to be examined through further observation. This combination of the induction and deduction approaches is called iterative and leads Hussey and Hussey (1997:73) to call the Grounded Theory an "inductive/deductive approach".

As there are only a limited number of studies that review the issues of central concern to this research, it is appropriate to adopt the inductive approach. Moreover, to achieve the

research objectives, a deep understanding and rich data are needed, and the deductive approach may fail to address the complexity and dynamic nature of the social science issues sufficiently (Leonard and McAdam, 2001).

3.3 Research design

This section focuses on Grounded Theory, which is the adopted methodology for this research. It begins with a general comparison between qualitative and quantitative approaches. Then, it presents a description of the research methodology used in this thesis. It includes the definition of Grounded Theory and an explanation of its process, a brief review of its different versions, a justification of the methodology selection, and an account of what makes this approach suitable for the research topic.

3.3.1 Quantitative vs. qualitative

Quantitative and qualitative are the two main approaches to research used in a variety of fields (Saunders et al., 2003; Bryman, 2004; Pickard, 2007). The following section does not aim to show the superiority of one over the other, as both of them have their own distinctive roles which the other can not play: each of them is useful in its place, and for distinct purposes. This section attempts to present the possible reasons behind the conflict between quantitative and qualitative research. In setting out some of the main differences between the two approaches, this section will also demonstrate how some researchers try to overcome this conflict by combining both quantitative and qualitative strategies into a single research method.

The following contrasts between qualitative and quantitative research methods are set forth by Bryman (2004):

- While qualitative research is concerned with observable behaviour, quantitative research is concerned with the collection of numerical data.

- The process of qualitative research is often inductive—though this is not necessarily always the case—with the researcher building concepts, hypotheses, and theories from the data, whereas quantitative research is deductive, with the theoretical work preceding the data collection.

- In qualitative research, the researcher can become more involved with the participants with the aim of gaining a greater understanding of non-calculative factors; whereas the researcher in quantitative research tends not to become involve with the participants in order to guarantee objectivity in the research.

- In qualitative research, participants are investigated in a natural environment; whereas participants in quantitative research are investigated in an artificial context.

- Qualitative researchers seek to gain deep understanding of individual's behaviour, values, and beliefs while quantitative researchers seek to generalize their findings to the relevant population.

Quantitative methods are often rejected by qualitative researchers because, the latter argue, they do not show clear thoughts and a deep understanding of cultural values and social behavior (Strauss and Corbin, 1998; Silverman, 2000). According to Denzin and Lincoln (2000), rich insights and a deeper understating of social phenomena, can be

gained through qualitative methods rather than quantitative research. In studying the social behaviour of people and their cultural values, direct field observation and interviews with individuals is the most accurate way to capture the subtle differences and come up with an acceptable understanding (Strauss and Corbin, 1998).

On the other hand, there are a number of reasons that leave some researchers unconvinced by the nature of qualitative research. First, the several considerably different methods that comprise the qualitative research are ethnography/participant observation, qualitative interviewing, focus groups, language-based approaches to the collection of qualitative data, and the collection and qualitative analysis of texts and documents. Second, the relation between theory and research can be considered ambiguous to some extent compared to the quantitative research. In quantitative research strategy, the theory guides the research and the research question is derived after reviewing the literature. This research question then guides the data collection and analysis, while in qualitative research the theory emerges after data collection and analysis. This difference in the stages between the two approaches creates an uneasiness towards qualitative approach on the part of quantitative researchers (Bryman, 2004).

Furthermore, qualitative research is criticized for a lack of reliability occurring from its difficulty to replicate observations. The validity of certain qualitative methods are also questioned relating to their ability to obtain correct answers or correct impressions of the phenomenon under a study of its findings (Silverman, 2000). However, social sciences researchers are advised to be flexible and to be more creative in terms of using methodology. One set of methods does not necessarily suit every research step and it is useful to combine procedures to gain the desired results. The reason for combining

methods in the research is to create the most useful means to form a theory. Also, it is important to emphasize the role that both qualitative and quantitative methods play together for arriving at a theory and the way in which qualitative and quantitative methods affect each other (Strauss and Corbin, 1998). Robson (1993) claims that validity of findings can be enhanced by using different methods of gathering data. Further, triangulation—the combination of two or more methodologies to study the same issue, with the aim of overcoming the weaknesses of any one single method—can offer the benefits of all theories employed.

3.3.2 Qualitative approach

Qualitative research claims to describe life worlds from the point of view of the individuals who participate in them, leading to a better understanding of social realities and a greater attention to significant processes, meaning patterns, and structural features (Flick et al., 2004). Although a number of researchers attempt to define qualitative research in the literature, the exact definition is elusive. Gorman et al (2005) define qualitative research as:

> "a process of enquiry that draws data from the context in which events occur, in an attempt to describe these occurrences, as a means of determining the process in which events are embedded and the perspectives of those participating in the events using induction to drive possible explanations based on observed phenomena" (Gorman et al., 2005:3).

For Strauss and Corbin (1998), there are three fundamental components of qualitative research:

- Data: which can be found and collected from different sources such as interviews, observations, documents.

- Procedures through which the data is interpreted: coding, non-statistical sampling, and memo writing.

- Written and verbal reports.

The selection of a qualitative approach to carry out this research is based on philosophical foundations, which are:

1. An interpretivist epistemological position which focuses on understanding the social reality through the participant's thoughts and perception.

2. An inductive approach, according to which the theory supported is the outcome of the research.

3.3.3 Grounded Theory

This section will present a description of the research methodology used in this thesis. It will include the definition of Grounded Theory and an explanation of its process, a brief review of its different versions, a justification of the methodology selection, and an account of what makes this approach suitable for the research topic of knowledge sharing amongst hotels.

3.3.3.1 What is Grounded Theory?

Grounded Theory is defined as:

> "[A] theory that was derived from data, systematically gathered and analyzed through the research process. In this method, data collection, analysis, and eventual theory stand in close relationship to one another" (Strauss and Corbin 1998:12).

> "[An] inductive theory discovery methodology that allows the researcher to develop a theoretical account of the general features of the topic while simultaneously grounding the account in empirical observations of data" (Martin and Turner, 1986:141)

Thus, this approach is concerned with generating theories, which makes it different than those which concern testing theories or providing a descriptive account of the studied issues. Furthermore, the theories generated by Grounded Theory must be based on the data gathered, which makes it different "from approaches based on 'armchair theorizing' or explanations that are thought up in the abstract as a neat system of ideas, and then afterwards checked to see if they work in reality" (Denscombe, 2007:89). The theory generated is inductively constructed by the collection and analysis of qualitative data (Baskerville and Pries-Heje, 1999). There is a difference , according to Lansisalmi, Peiro and Kivimaki (2004), between 'Grounded Theory' as a theory derived from data collected and analysed within an empirically driven study and 'Grounded Theory Methodology' as a style of conducting qualitative data analysis.

For Brown (1990), although Grounded Theory can be used as a complete methodology including procedure of analysis, it is more a particular style of research, founded in generic principles, such as theoretical sampling and comparative data analysis, cited in (Vasconcelos, 2005). Bryman (2004) argues, however, that a theory being grounded in data is not enough for a researcher to claim he or she must adopt the Grounded Theory approach to carry out his or her research. There are central procedures to follow in order for a researcher to apply Grounded Theory appropriately.

Glaser (1999:836) argues that these procedures are necessary for Grounded Theory, as "it is a total methodological package. It provides a series of systematic, exact methods that start with collecting data and take the researcher to a theoretical piece that is publishable […] It is grounded theory only when it follows the grounded theory methodological package". It should be emphasised that the development of this thesis

was based upon following the total methodological package of Grounded Theory as "a specific methodology on how to get from systematically collecting data to producing a multivariate conceptual theory" (Glaser, 1999:836).

The process to be followed in Grounded Theory will be discussed in more detail in the next section.

3.3.3.2 Variations in approach

Grounded Theory was first presented by Glaser and Strauss in 1967 in their book The Discovery of Grounded Theory. In the original version, Grounded Theory was aimed to generating a theory constructed from the data and based on three principles: constant comparative analysis, theoretical sampling, and theoretical saturation. Over the last forty years, the two originators have parted ways through developing and extending their own views of the original Grounded Theory. Their divergences hinge on the theory's procedures. Strauss favours a more structured approach and emphasizes prescribed procedures, while Glaser finds strength in cultivating flexibility in the analytic steps (Partington, 2000; Douglas, 2006). Goulding (1998:52) summarizes this divergence as following "[…] this is a point of departure between Glaser, who argues that the theory should only explain the phenomenon under study, and Strauss, who insists on excessive use of coding matrixes to conceptualize beyond the immediate field of study". Strauss and Corbin, in Basics of Qualitative Analysis, put great emphasis on codification of the data consisting of open, axial, and selective coding. Furthermore, this version emphasises the use of a conditional matrix, which they refer to as a paradigm model. This is defined according to Vasconcelos (2005:30) as "a systematized cause and effect

schema to explain the inter-relationships between broader categories and sub-categories".

However, despite this difference in emphasis between the two originators of the theory, there are a number of aspects about which they both agree. These are, according to Rennie (1998), the constant comparison of data to generate concepts and categories; the gradual achievement of a higher level of data abstraction through moving from the descriptive level to higher order theoretical categories; theoretical sampling; theoretical memo writing; and theoretical saturation, which requires the researcher to collect data until new data adds no further meaning. Dunican (2005) argues that although the divergence is not about the core of the Grounded Theory, but rather just about details of the procedures involved in the method, the researcher who is willing to use Grounded Theory needs to specify which version he employs. The researcher can select the version that helps him/her to develop his/her analytic skills and fits his/her cognitive style (Mansourian, 2006a). The approach of Grounded Theory adopted in this research is aligned with the original version of Glaser and Strauss (1967).

3.3.3.3 Methodology selection

There are a number of reasons that justify the selection of Grounded Theory to conduct this research.

The first and main reason that justifies the selection of Grounded Theory to carry out this research is that it is a methodology that aims to develop a theory around certain issues where there is little documented about them. As most studies that focus on issues related to knowledge management in tourism and hospitality industry are theoretical or conceptual (Bouncken, 2002; Bouncken and Pyo, 2002), there is a need to develop

empirically grounded theories in this field—a need which motivates the researcher to seek to develop a theory in this field to be added to the body of existing knowledge and the literature.

Secondly, of similar importance, is the issue of there being only a limited knowledge of studies in the field. This dearth of research in knowledge management in tourism and hospitality makes it, according to Stern (1994), impossible to test a theory when there are no similar theories for the researcher to study. Furthermore, it is recommended to use Grounded Theory when there is little known about certain issues in an area and when the focus is on the participants' experiences and their interaction (Glaser, 1998; Pauleen et al., 2007). This view is supported by Goulding (2007:55), who asserts, "Usually researchers adopt Grounded Theory when the topic of interest has been relatively ignored in the literature or has been given only superficial attention".

The systematic characteristic of Grounded Theory is a further reason, which has motivated the researcher to adopt this approach. Qualitative methods in general are criticized that they are "too impressionistic and subjective" as "they rely too much on the researcher's often unsystematic views" (Bryman, 2001:282). In Grounded Theory approach, the systematic procedures of collecting and analyzing the data ensure rigour and consistency. This feature makes the methodology of Grounded Theory unique as it provides, like all qualitative methods, rich data to gain a deep understanding of the subject matter, and at the same time it overcomes the criticisms levelled to subjective approaches, by bringing a systematic and rigorous approach to data collection, analysis and theory development. Furthermore, the systematic procedures of collecting and analyzing the data "can be helpful to the newcomer who might wonder how on earth he

or she can make sense of the data and how he or she can move towards developing concepts and ultimately theories" (Denscombe, 2007:104).

In addition, we have the issue of human interaction. Participants' perceptions and points of views are essential to the deep understanding required to discover the main concerns or problems of the research. Grounded Theory is suitable for the type of social research which aims specifically to discover practical activity and routine situations as well as the participants' perceptions and perspectives (Denscombe, 2007). Furthermore, Grounded Theory helps to discover the main concern or problem through direct contact with the social world, an attribute which contributes to a better understanding of the subject matter (Glaser, 1998; Pauleen et al., 2007).

Lastly, there is the issue of the popularity of the method. There are different types of qualitative research methods such as action research, case study, ethnography, and Grounded Theory (Myers and Avison, 2002). Glaser (1992) points out that Grounded Theory is a general methodology which can be used in many fields. It is not restricted to any specific field or data type. Although it was developed in the field of sociology, it has been applied in numerous studies elsewhere (Goulding, 1998; Douglas, 2006), including tourism and hospitality management (Connell and Lowe, 1997; Mehmetoglu and Altinay, 2006), medical studies (Charmaz, 1990), psychology (Henwood and Pidgeon, 1995), information science (Ellis, 1989), information systems (Orlikowski, 1992; Galal, 2001; Doolin, 2004), knowledge management (Kirk and Vasconcelos, 2003) and discourse studies (Vasconcelos, 2007a; Vasconcelos, 2007b).

It has been one of the most-cited qualitative methods in the management field. This widely use is justified, according to Locke (2001:95-97), by its ability to "capture

complexity, linking well to practice, supporting theorizing of new substantive areas, and enlivening mature theorizing". Furthermore, although "the Grounded Theory Approach could be better employed by a team of researchers or by a more experienced researcher" (Mehmetoglu and Altinay, 2006:31), there is wide use of this approach among PhD researchers such as Mansourian (2006b), Tan (2008) and Agustero (2009). It is noted by Selden (2005) that the use of this methodology has been widely used in Information Studies at the University of Sheffield. This, along with the other reasons detailed above, encourages the researcher to adopt this approach.

3.4 Data collection

This section focuses on the adopted data collection method for this research. It begins with brief ideas about different qualitative data collection techniques. Then, it presents a description and justification of the technique used in this thesis.

3.4.1 Qualitative data collection methods

There are three main qualitative data collection techniques: observation, interview, and the focus group. The selection needs to be made carefully and according to specified criteria. Pickard (2007) suggests that techniques need to be selected based on their fitness for purpose, that is, that the selection of data collection techniques ought to depend on the research question, research focus, data sources, and the researcher's own life experiences. Certain data collection methods are sometimes better associated to certain research methods, but this is not always the case. Researchers need not restrict themselves to certain techniques.

3.4.1.1 Interviews

The technique of interviewing parties involved in the research topic was selected to collect data as interviews are one of the most widely used techniques in qualitative research (Bryman, 2004). Interviews can be divided into structured, unstructured, and semi-structured. In structured interviews, the interviewer predetermines clearly the questions and the answer categories (Saunders et al., 2003; Gorman et al., 2005). This type of interview is similar to written questionnaires but the difference is that structured interviews allow the interviewer to listen and observe the interviewee, which allow the interviewer to interpret the nature of the response (Pickard, 2007). Unstructured interviews, also called in-depth or intensive interviews, include a set of questions prepared but no predetermined answers from which the interviewee may choose (Saunders et al., 2003; Gorman et al., 2005). The interviewee can respond freely to the questions and express him/ herself regarding the topic in his/her own words (Saunders et al., 2003; Gorman et al., 2005).

In semi-structured interviews, the interviewer has a set of questions to be covered. The questions are designed before the interview, but there is flexibility allowing the interviewer to add more questions or omit some questions or change the order of the questions according to the answers of the interviewee (Saunders et al., 2003; Bryman, 2004). This type of interview was selected for this research because it enables the researcher to gather the rich data required while at the same time allowing for some structure in guiding the interviews. Also, it is one of the most widely used data collection techniques associated with Grounded Theory (Charmaz, 2006). Furthermore, given the paucity of research in the research subject area, a semi-structured interview grants both the researcher and the interviewee a beneficial flexibility: the former can

pursue unexpected areas of research that arise during the interview, and the latter is free to give his/her opinion without being bound by pre-composed answers which may or may not have bearing on the reality of the subject.

Each of the interview types can be used for different purposes. Structured interviews can be used with quantitative research, whereas unstructured and semi-structured are associated with qualitative research, due to the fact that they are able to gain data in order to answer 'why' not only 'what' and 'how' (Saunders et al., 2003). The objective of this research is to discover issues regarding knowledge sharing among hotels. As the epistemological position of this research is associated with interpretivism, it is important to gain subjective insights into social action from the perspective of social actors. This can be achieved by using a semi-structured, face-to-face technique of data collection because it helps the researcher interact with participants, and gain access to understand their thoughts and perception about the issues (Mason, 2002). As Patton (2002:340-341) states,

> "We interview people to find out from them those things we cannot directly observe…We cannot observe feelings, thoughts, and intentions. We cannot observe behaviors that took place at some previous point in time. We cannot observe situation that prelude the presence of an observer. We cannot observe how people have organized the world and the meanings they attach to what goes on in the world. We have to ask people questions about those things. The purpose of interviewing, then, is to allow us to enter into the other person's perspective."

Interviews can be conducted face-to-face or through such means as the telephone or internet. Face-to-face interviews were selected for this research because it allows a great deal of interaction between the interviewer and the interviewee (Saunders et al., 2003) which allow the researcher "to listen, to observe with sensitivity and to encourage the person to respond. Hence, in this conversation, the participant does most of the talking"

(Charmaz, 2006:25). This is the aim of the researcher who seeks to understand the topic and the interviewee has the "relevant experience to shed light on it" (Charmaz, 2006:25).

Number, duration and location of interviews

A total of 62 interviews were conducted to carry out this research. The interviews were distributed into three stages. Ten interviews were conducted for the preliminary study. The second stage of data collection included twenty eight interviews. The last and final stage included twenty four interviews. Each interview in the first stage of data collection took sixty minutes except one, which lasted for twenty five minutes. This one was excluded as the participant was a new employee and therefore has no insight into the practices at the hotel. Interviews in the second stage of data collection took between sixty to ninety minutes. Interviews in the last stage took between forty to sixty minutes. All the interviews were held in the interviewees' work place.

Recording interviews

Glaser (1998:113) advises individual researchers who employ Grounded Theory not to tape the interviews as these recordings are after concepts and patterns, rather than the precise accounts which are required in other descriptive methods. He argues that,

> "Grounded theory uses the incidents in field notes as illustrations of the meaning of categories and their properties and their interrelations. It does not use incidents as evidence of findings. As illustrations for grounded theory, field notes in the researchers own words are enough for illustrating generated hypotheses and concepts within them. As evidence of findings in routine qualitative research, however, taping can be seen as producing the verbatim, accurate data for verification of the descriptions. But this is not the purpose and goal of grounded theory".

Despite the above warnings of the disadvantages associated with recording, the researcher chose to tape the interviews using a digital recorder – only one interview was not recorded, which was at the request of the interviewee. Recording was very helpful

for the researcher as it enabled her to transfer the interviews from the recorder to a computer and use specialist audio software to adjust the speed of the conversations, making them easier to transcribe.

As stated, recording has advantages and disadvantages. For some interviewees, being recorded makes them feel uncomfortable and may inhibit them from expressing themselves freely (May, 2001). This was the case with the only interviewee who refused to be recorded. He apologized and stated that he might not feel comfortable and might not speak freely if he was recorded. At the same time, recording the interviews offers the advantage to the researcher of allowing a better interaction with the interviewee and also allowing her to concentrate on the conversation, rather than looking down on the paper and focusing on writing what was said (May, 2001). Further, listing to the interviews again while transcribing affords the researcher a second opportunity to become involved in and consider the data before beginning the coding.

The issue of translation

As the participants are native Arabic speakers, the interviews were conducted in Arabic. The interviews were initially transcribed and analyzed in Arabic. Only the quotations which were selected to be used in the research were translated. The researcher translated them. After this first translation they were revised by two bilingual speakers of Arabic and English to check the accuracy of translation, and then proofread by a native English speaker after the data analysis had been completed. These procedures are necessary because "the translation must be done correctly, not only from the language perspective, but that we pick up the nuances, etc. […] to achieve validity, reliability, and possess the appropriate psychometric properties" (Behling and Law, 2000:1).

The issue of ethics

Confidentiality, one of the key ethical principles in conducting research, was of primary concern to the researcher (Kent, 2000; Silverman, 2000). Assurance was given to all participants that their answers and all means of identification will remain anonymous in any written work and that their responses will be treated in strict confidence. A letter of introduction was sent to each participant by email before conducting the interview, however all participants apologized that they did not have time to read it.

Participants were asked to sign a consent letter prior to the interview, agreeing to participate in the study and also stating that they agree to be audio-taped for the purposes of the research before starting the interview. The researcher introduced herself to participants by telling them her background and the course she studies. Then, the purpose and nature of the research were explained to the participants. Furthermore, all participants were informed that there were to be no judgments of their answers and that the point of the interview is to obtain their points of view. Finally, they were informed that they may decline answering any question or to withdraw from the interview if they so wish.

3.5 Data analysis

This section focuses on the data analysis method which is used in this research. It begins with brief ideas about various qualitative data collection techniques. Then, it focuses on assessing the literature related to constant comparative analysis, which is the method used in this research.

3.5.1 Qualitative data analysis

There are many different qualitative methods, and, consequently, there are a variety of different strategies to deal with collected data, including phenomenological strategies, ethnographic methods, narrative and discourse analyses, and constant comparative analyses (Pickard, 2007). However, the process of analyzing qualitative data involves a number of general procedures. The analyst must first classify the data into meaningful categories, place the relevant data to the appropriate category, then find the relationship between the categories, and finally draw the conclusion by developing and testing the hypotheses (Saunders et al., 2003).

3.5.1.1 Constant comparative analysis

Constant comparative analysis was developed to be used in the Grounded Theory methodology of Glaser and Strauss (1967). The purpose of constant comparative analysis is to develop a theory around core variables through systematic procedures. This development of the theory occurs when theoretical categories are originated by constant comparison of incident to incident. These emerged categories are considered the foundation of the developing theory. Comparison is basic and has a defined and important role in this method (Glaser and Strauss, 1967; Stern, 1994). This section only focuses on assessing the literature around constant comparative analysis while the actual application of it in this research will be demonstrated in the next section (research design in action: the Grounded Theory process in four stages).

Process of constant comparative data analysis

Glaser and Strauss (1967:105) identify four stages that are basic to carrying out constant comparative analysis: "comparing incidents applicable to each category, integrating categories and their properties, delimiting the theory and writing the theory".

- **Comparing incidents applicable to each category**

In this stage, the analyst codes each incident in the data into categories. During this process, the analyst compares the incidents with previous incidents in the categories. As a result of this constant comparison of the incidents, theoretical properties of the categories emerge. It is advisable at this stage to write memos along with the codes in order to document new ideas which come to light while the analyst codes (Glaser and Strauss, 1967) so that they are not forgotten (Stern, 1994). These memos can become helpful later on in theory writing stage (Glaser and Strauss, 1967).

- **Integrating categories and their properties**

The analyst here compares incidents with the properties of the categories identified in the previous stage. This process of coding and comparing is thus continued in this stage, this time at a different level. It is important to identify the theoretical relationship of each comparison. The theory emerges when different categories and their properties are integrated through the constant comparison in this stage (Glaser and Strauss, 1967; Stern, 1994).

- **Delimiting the theory**

Categories then need to be reduced to form the broader category in order to construct a theory with a smaller set of "higher level concepts" because, by this stage, a large number of categories have been developed, so the analyst needs to compare categories in order to connect them (Glaser and Strauss, 1967:110). The analyst here aims to discover connections or links between categories or their properties in order to identify "higher level concepts". Question such as, "Is there, asks one investigator, some higher order of category, some umbrella under which all these categories fit?" or "How does everything fit together?" are useful at this stage (Stern, 1994:121). The literature plays a role here,

supplying additional comparisons or in supporting the identified categories in the study. Ultimately, through the reduction and comparison process, core or central variables or themes emerge which satisfy the basic requirements of the theory (Glaser and Strauss, 1967; Stern, 1994).

- **Writing theory**

At this point, coded data, sorted memos, and an emergent theory are available for the analyst. The analyst must now write up the sorted memos on each category, bring them together, and organise them "in such a way that the best integration of the theory is achieved" (Glaser, 1994:124). Although all stages involved in the constant comparative analysis are critical, this stage is distinguished and has a special advantage because it presents the whole effort and makes the now-developed theory accessible to others (Glaser, 1998).

3.6 Research design in action: the Grounded Theory process in four stages

Glaser and Strauss (1967) have developed Grounded Theory to create an approach based on three foundations: i) the constant comparison method of analysis, where data collection and analysis occur simultaneously; ii) theoretical sampling, where data collection is driven by the emerging theory; and iii) theoretical saturation, where the collection of data continues until "additional analysis no longer contributes to discovering anything new about a category" (Strauss, 1987:21) and the relations between categories are clear. The methodology includes a number of elements and guiding principles in the research design. These are: the emergence of the research question, simultaneous data collection and analysis, the construction of data categories

from empirical data, development of theory during each step of the data collection, and analysis and memo-writing as way of advancing the theory (Pickard, 2007).

The research design adopted in this research has four stages:

1. The uncertainty stage, where the primary focus emerges.

2. The emergence stage, where the core categories that form the foundations of the theory emerge.

3. The ambiguity resolution stage, where the grey areas in the emerging theory are clarified.

4. The maturity stage, where the discussion of the findings against the literature takes place.

Fig. 3.1, below, represents the various stages of the research design, the activities that each involves, and their outcomes
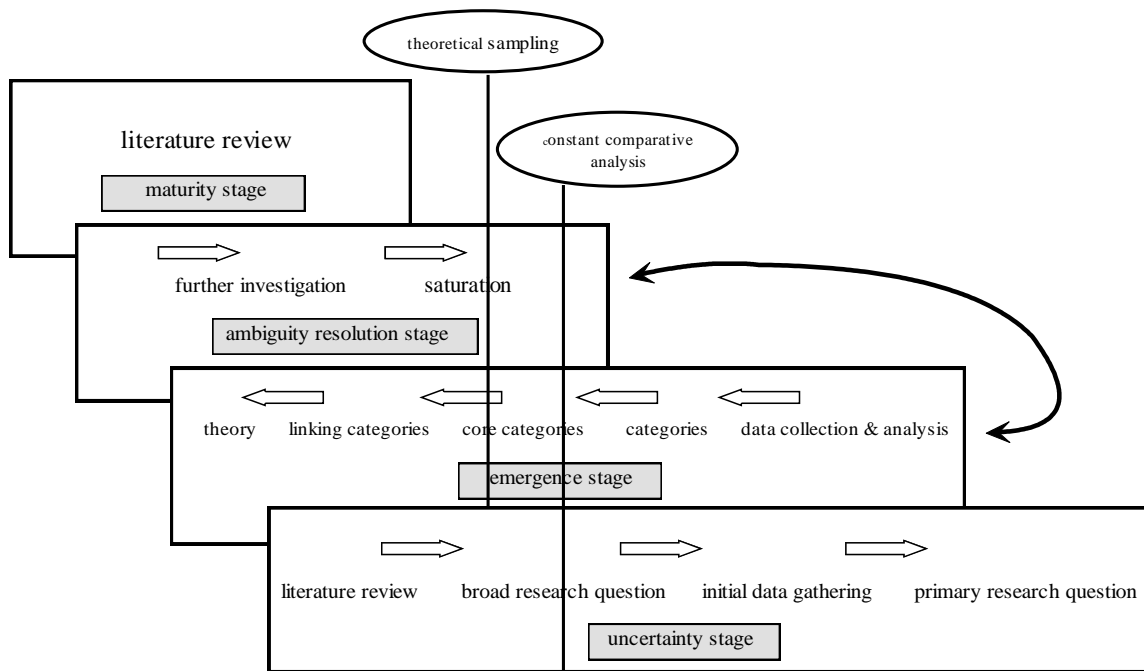
Figure 3.1 The four stages of research design using Grounded Theory

3.6.1 The uncertainty stage: formulating the research question

This first stage of the research design leads to the emergence and development of the primary research question through a systematic process of empirical inquiry. Glaser and Strauss (1967:33) state that

> "Both substantive and formal theories must be grounded in data. Substantive theory faithful to the empirical situation cannot, we believe, be formulated merely by applying a few ideas from an established formal theory to substantive area. To be sure one goes out and studies an area with a particular sociological perspective, and with a focus, a general question, or a problem in mind. But he can (and we believe should) also study an area without any preconceived theory that dictates, prior to the research, 'relevancies' in concepts and hypotheses".

With Grounded Theory, the research does not need to have an initial tight focus because, as an inductive approach, its purpose is to discover 'what is going on and why'. The researcher can engage with the research with a very open and broad research question at the beginning of this initial stage. Dey (1993) suggests that undertaking Grounded Theory requires the adoption of an open mind regarding the phenomena under study as well as the data that is collected and analyzed. Furthermore, she explains that starting with an open mind does not mean a blank mind on a subject; on the contrary, previous theories should be considered but should not pre-determine the conceptualization of findings—this should be grounded in data. As stated by Pickard (2007:158) the research "can not begin with rigid, a priori assumptions concerning the context, the process or the issues".

This particular study started the first stage with a broad research question and it was acknowledged upfront that this focus would change and be reformulated in different terms. The original research question was:

What are the barriers to knowledge sharing in hotels in the religious

tourism and the hospitality industry in Saudi Arabia?

An initial review of the literature regarding issues of knowledge sharing in the tourism

and hospitality industry was conducted and aided in contextualizing the research issues.

The literature played an important role at the beginning of the research, although some

interpretations of Grounded Theory assert that it should be ignored at the start the

research:

> "Inductive research lets reality tell its story on its own terms and not on the terms
> of extant theory […] It may seem odd to ignore existing knowledge to be able to
> revise new knowledge, we are used to hearing that knowledge is cumulative and
> that what we do must have support in previously published journal articles.
> Viewing all knowledge as tentative, however, researchers have to train
> themselves to listen to the reality without preconceived ideas" (Gummesson,
> 2005:322).

The purpose of using the literature at the beginning of this research was to reduce the

level of uncertainty regarding the context and the focus of the topic, which was one of

the characteristics of the first stage. It is an entirely different approach than that

proposed by those who advocate the subversion of Grounded Theory principles and start

with an initial literature review that leads to the definition of an a priori coding system

and the establishment of an initial theory which, although not definite, is used as a guide

for analysis:

> "In order to allow relatively inexperienced PhD research students to successfully
> use inductive approaches we proposed […] the use of a priori theory, to be
> applied in the sense […] as entry to the existing and very heterogeneous body of
> knowledge[…] to help apprentice researchers getting started, gaining knowledge
> of the discipline and providing them with initial theoretical framework on which
> to base insights" (Nunes and Al-Mamari, 2008).

In reality, Glaser and Strauss (1967:46) themselves acknowledge the important role of extant knowledge in Grounded Theory, stating that this approach "[…] will tend to combine mostly concepts and hypotheses which have emerged from the data with some existing ones that are clearly useful. What it should not do is to commit research to […] one specific preconceived theory". The literature plays an important role at the beginning of Grounded Theory, but not to the extent that it leads to the formation of preconceived concepts and categories. The role of the literature at the beginning of the research process is to provide a context and an overall picture of the research problem.

This review helped reduce the level of uncertainty on the subject and revealed that issues around knowledge sharing in tourism and hospitality industry have been neglected in this literature. Most papers that focus on issues related to knowledge management in the tourism and hospitality industry are purely theoretical or conceptual, such as Kahle (2002) and Hawkins (2006). The fact that knowledge management has only recently been applied to the industry itself could be an explanation for this (Bouncken, 2002; Bouncken and Pyo, 2002). This literature review emphasized that there is a need for empirical studies, rather than simply theoretical and conceptual approaches, to understand the role of knowledge management in this context. However, although the degree of uncertainty over what constituted key issues on the subject was reduced, the research still lacked a specific focus.

In December 2006, a pilot study was then devised to help formulate this focus. Although sampling in Grounded Theory is defined as theoretical, and as it is driven by the emerging theoretical framework, it can involve purposeful sampling at the initial stage of the research. For Denscombe (2007), the selection of the initial sample is based on its

relevance, targeting the sample which is expected to provide relevant information on the issues under investigation. In the case of this research, 10 middle managers working in differently rated hotels in the religious tourism destination in Saudi Arabia were selected. The choice of middle managers was based on their mediating role between the core and the periphery of the organization (Vasconcelos, 2007a). Consequently, they may have particularly interesting insights to provide, because they have contact with and mediate across different levels of the organization.

In-depth interviews were conducted with this original sample of respondents in order to gain data. Although it is desirable to analyze data as it is collected, the initial data analysis process was compressed by time due to the fact that data was being collected in Saudi Arabia, whereas the researcher was primarily based in the United Kingdom, where the research was being supervised. Afterwards, the outcomes of a more systematic data analysis stage pointed towards an interesting aspect of interdependency in the relationships between competitors, which leads them to cooperate through knowledge sharing. This led to a subsequent exploration of the literature around the theme as well as to the reformulation of the primary research question to attain a more focused direction:

> In what ways do competing hotels in the religious tourism and hospitality
> industry in Saudi Arabia cooperate through knowledge sharing?

The aim of this research is to discover how hotels in the religious tourism and hospitality industry in Saudi Arabia cooperate through sharing their knowledge within competitive relations and to understand the rationale for this apparent paradox.

No. of interviews	Position	Rate of the hotel
1	Front office manager	5*
1	Training manager	5*
1	Human resources manager	5*
1	Front office manager	4*
1	Sales and marketing manager	4*
1	Human resources manager	4*
1	Finance manager	4*
1	Assistant manager & finance manager	3*
1	Assistant manager & food and beverage manager	3*
1	Assistant manager & sales and marketing manager	3*

Table 3.1 Participants in the initial stage

3.6.2 The emergence stage: answering the primary research question

The second stage of the research design is considered its main stage as it seeks to answer the primary research question resulting from the previous stage through systematic data collection and analysis. This stage started by focusing on the emerging categories from the initial data gathering. A variety of the key activities during this phase, including theoretical sampling, concurrent data collection and analysis, the construction of categories, and the emergence of a theoretical framework will be discussed in the following sections.

- **Theoretical sampling**

Theoretical sampling informs this stage and continues through until the end of the following stage—ambiguity resolution. Theoretical sampling is the process whereby data is collected, coded and analyzed in order to decide where to sample next in accordance with emerging codes and categories (Glaser, 1978). At this stage, there is no

pre-definition of what the sample should be or of how large it should be or what sites exactly should be included because, as Glaser (1992:102) stated, in Grounded Theory: "Groups are chosen as they are needed, rather than before the research begins"; "The analyst who uses theoretical sampling cannot know in advance precisely what to sample for and where it will lead him" (Glaser, 1978:37). Researchers may at this stage ask for more questions or drop false leads (Stern, 1994). The aim of theoretical sampling is "to maximize opportunities to compare events, incidents, or happenings to determine how a category varies in terms of its properties and dimensions" (Strauss and Corbin, 1998:202). The emerging categories from the previous stage lead to decisions on what and where to sample next.

In the case of this research, hotels which had several layers of management were selected. This selection is guided by the category of sharing knowledge among competitors. Twenty eight interviews were conducted with the first and second line of managers between June and October 2008. The selection of the managers relates to the fact that the decisions of engaging with either competition or cooperation (of which knowledge sharing is one of its forms) or both, among organizations are usually related to different management options (Cosgrave, 1996; Harrison and Pelletier, 2000; Gallen, 2006). At that point, there was awareness that other stakeholders and agents might be included in future data collection and analysis. A first site (hotel) was selected based on a timetable of availability. It was the first available appointment in the data collection timetable and initial interviews took place. Data from these interviews showed that this organization only had relationships, whether cooperative or competitive, with a specific group of hotels within the same rating (5*), forming an informal association amongst

themselves. This then led to the decision to focus on the same market. As the research aims to investigate the cooperative practices amongst competitors through knowledge sharing, hotels which form relationships of this nature with each other were targeted, with the sampling of the data in these contexts based on theoretical relevance (Denscombe, 2007).

No. of interviews	Position	Rate of the hotel
4	General manager	5*
4	Room division manager	5*
4	Human resources manager	5*
4	Sales and marketing manager	5*
4	Finance manager	5*
4	Maintenance & chief manager	5*
4	Food and beverage manager	5*

Table 3.2 Participants in the emergence stage

- **Concurrent data collection and analysis**

Concurrent data collection and analysis is one of the key principles of Grounded Theory, which involves a strong interplay between data collection and data analysis that occur concurrently in an iterative manner (Cutcliffe, 2000). This practice provides initial categories of analysis and directions to the next data collection stage in terms of what additional data is needed and where and with whom it should be collected. In brief, decisions are taken based on the empirical data (Pickard, 2007). Therefore, analysis in this research took place as data collection was being carried out and, conversely, this process of analysis drove the process of data collection. The data collection and analysis processes at this stage were organized around a timetable that included conducting two

interviews a day and spending the next five days transcribing and analyzing. The reason for alternating data collection with analysis is that "not only does this allow for sampling on the basis of emerging concepts, but also enables validation of concept and hypotheses as these are being developed. Those found not to fit can be [...] revised, or modified during the research process" (Strauss and Corbin, 1998:46). Simultaneous data collection and analysis allows the researcher to compare the incidents and, consequently, revise interview questions during this stage and add new questions or discard other questions.

- **Constructing categories from empirical data and the emergence of the theory**

Following the constant comparative method, coding took place by selecting, labelling, separating, compiling, and sorting data to be ready for analytical accounting (Charmaz, 1994; Charmaz, 2006). The initial stage of analysis involves coding and categorising the data. This occurs through comparing incidents with each other to develop the categories of data, as discussed earlier (Glaser and Strauss, 1967). Denscombe (2007:98) explains that, "the chunks of raw data have something in common that the researcher can identify and that allows those chunks of data to be coded (tagged) as belonging to a broader category". The comparison process continued and, as a result to this, theoretical properties of the categories emerged (Glaser and Strauss, 1967). This process of developing categories from the data ensures that the researcher does not create them without empirical evidence (Pickard, 2007). The process of coding and comparison then continued at a higher level of abstraction. This time, incidents were compared with the properties of categories that emerged from the initial phase of comparison.

This can be exemplified through:

'Clique membership' is one of the categories, which emerged as a result of comparing the following managers' responses to the idea of cooperation among hotels.

 "I only take information from hotels which have a similar star rating as mine, they share the same market" (Mohi)

"Because of the market we share, I talk with five star hotels only. It's not right to say you're a five star hotel and you talk with four or three star hotels, they're an entirely different market." (Mansor)

 "As a matter of fact, I communicate with five star hotels because they are similar to me and they are at my level. I mean, I have relationships with those with whom I can compare myself." (Naji)

"[A named hotel], [a named hotel], [a named hotel], and [a named hotel]. Cooperation happens between this type of hotels." (Ehsan)

"In the competition report you won't find the market share of [a named hotel]." (Mansor)

The properties of 'Clique membership' emerged as the researcher "start[ed] thinking in terms of full range of types or continua of the category, its dimensions, the conditions under which it is pronounced or minimized, its major consequences, its relation to other categories, and its other properties" (Glaser and Strauss, 1967:106). Status, which is one of the properties of clique membership, has to do with factors such as employees, innovation, standards, and clients; when participants mentioned hotel star rating (status), they actually mean these factors—they use the shorthand designation of star rating to indicate all these factors.

It becomes apparent now that having similar concerns regarding employees, innovation, standards and clients not only encourages five star hotels to communicate with each

other, but also leads them to identify with each other as part of the same clique, with the status of elite organizations.

> "I communicate with managers in five star hotels because the services we operate are so similar. Hotels with different ratings have different levels of service, so the way they think about things is different from us. I mean, for example, I have certain standards for the products I buy or the materials I use to offer my service. These standards are different than the ones in three star hotels. The difference in standards makes it difficult to share our ideas and thoughts." (Hani)

Theory emerges when different categories and their properties are integrated through constant comparison at this higher level of abstraction (Glaser and Strauss, 1967; Stern, 1994) involving a smaller set of "higher level concepts" (Glaser and Strauss, 1967:110). At this stage, links between the categories were developed in order to form an explanatory framework for the patterns of interaction within the relationships between different managers in the group of participating organizations. The reduction and comparison process led to the development of the core theme, which was the basic foundation of the theory in this research. The core theme was that knowledge sharing takes place among a clique of competing five star hotels with the aim of attaining benefits.

3.6.3 The ambiguity resolution stage: achieving theoretical saturation

Although in the previous stage the foundations for an explanatory framework emerged, there remained also some ambiguity related to the core theme. This required further investigation in order to clarify these elements of ambiguity. To illustrate this, there are five knowledge based cooperative practices that occur between five star hotels. They take place through social networks involving managers. There was some ambiguity related to the communication practices among the members involved in these social

networks. In order to clarify these elements of ambiguity, interviews were conducted with the same participants focusing on these aspects. In order to clarify these elements of ambiguity, interviews were conducted with twenty-four managers from the same group of participants focusing on these elements between August and October 2009.

As the core theme emerged, selective coding took place, meaning that "the analyst delimits his coding to only those variables that relate to the core variable in the sufficiently significant ways to be used in a parsimonious theory. The core variable becomes a guide to further data collection and theoretical sampling" (Glaser, 1978:61). This stage helps to remove the grey area in the emerged theory. Depending upon the properties of the theory and the circumstances of specific research projects, there may be a need to include further ambiguity-resolution stages in the research design of a project.

These stages continue "until the researcher has sufficiently elaborated and integrated the core variable, its properties and its theoretical connections to other relevant categories" (Glaser and Holton, 2004) and until the researcher has achieved theoretical saturation which "occurs when in coding and analyzing both no new properties emerge and the same properties continually emerge as one goes through the full extent of the data" (Glaser, 1978:53). Finally, relationships among categories need to be well established and identified in order to achieve theoretical saturation.

No. of interviews	Position	Rate of the hotel
2	General manager	5*
4	Room division manager	5*
4	Human resources manager	5*
4	Sales and marketing manager	5*
3	Finance manager	5*
4	Maintenance & chief manager	5*
3	Food and beverage manager	5*

Table 3.3 Participants in the ambiguity resolution stage

3.6.4 The maturity stage: discussion against the literature

Theoretical saturation, which started to take place in the previous stage, should be achieved in this stage where the relationships between categories are refined, the literature is integrated with the emerged theory, and theory is consolidated. The literature is used in this stage in two ways and to serve two different purposes. The first is to help in clarifying the relationships between categories, which is one of the indicators of theoretical saturation.

The second purpose for reviewing the literature at this stage is to discuss the findings and place them in the context of previous work, as well as within the broader field of knowledge to which they contribute. As with most inductive approaches, extensive exploration of the literature is made at this stage, whereas with hypothetical deductive approaches, this is the main focus at the beginning of the research. Furthermore, the findings can be used to discuss the literature and illustrate areas of divergence between the findings and previous studies. As Strauss and Corbin assert (1998:52), "Bringing the

literature into the writing not only demonstrates scholarliness but also allows for extending, validating, and refining knowledge in the field".

3.7 Summary and implications for research

This chapter has presented the methodology of this research project. The philosophical foundations of the research led to the adoption of an interpretivist epistemological position, which places emphasis on the understanding of the social reality through the participants' thoughts and perceptions and an inductive qualitative approach, where the theory is the outcome of the research. As a result, Grounded Theory, the research method which has been selected for this study, was the most appropriate method as it allowed for the development of a theory, given the lack of empirical research on knowledge management in the tourism and hospitality field (Bouncken, 2002; Bouncken and Pyo, 2002). Furthermore, the research presented in this chapter has shown that Grounded Theory can be highly effective in honing a theory when prior research in the area is lacking or has been mostly superficial (Glaser, 1998; Pauleen et al., 2007). Finally, its systematic characteristic, and its popularity as a trusted and respected qualitative research method were encouraging factors (Bryman, 2001).

The comprehensive literature review at the start of the research process signified an effort to reduce uncertainty and to focus on the issues that would be most relevant to the topic at hand. However, as the research still lacked a specific focus, the use of a pilot study was necessary at the initial stage of the research process as Grounded Theory allows for purposeful sampling in such cases (Denscombe, 2007). Ten middle managers from various hotels in religious tourism destination in Saudi Arabia were selected as it was important to interview sources who had a mediating role between the core and the

periphery of the organizations (Vasconcelos, 2007a). The use of pilot study data and its subsequent analysis had implications for the primary research question and led to its reformulation.

Consequently, the aim of the research evolved into a discovery of how hotels in the religious tourism and hospitality industry in Saudi Arabia cooperate through sharing their knowledge and how they do so within a competitive environment. An apparent paradox, the stage of the research process required the adoption of theoretical sampling, whereby any ambiguities could be resolved. The new research focus brought into question the relevance of the chosen groups to study and the overall sample (i.e. the competitive environments on which to focus). However, as Glaser (1978; 1992) has recommended the selection of a specific group to examine can be quite fluid and flexible as there are not yet clear implications from the data as to where the research will be led. It was decided that hotels with several layers of management were to be studied at this stage because of the issue of sharing knowledge among competitors, thus leading to the twenty eight interviews conducted with managers who manage the competitive and cooperative interests of hotels in the region (Cosgrave, 1996; Harrison and Pelletier, 2000; Gallen, 2006).

As the theory emerged, it became important to clarify any issues of ambiguity relevant to the communication practices of the managers within the discovered social networks. Interviews were conducted with twenty four managers from the same group of participants and the data was analysed to as core themes emerged using a selective coding process. Glaser (1978) argues that determining the core variable serves as a guide for further data collection and theoretical sampling whereby the coding process becomes

selective and the researcher focuses on variables that are relevant to the core variable. This would imply that the ambiguity resolution stage is highly specific to the content of the data as determined by the researcher, who is in turn guided by the data. Indeed, the goal of this stage is to reach such a level of saturation where no new properties emerge and the relationships among the categories can be firmly substantiated in relation to the theory that has emerged (Glaser, 1978; Glaser and Holton, 2004).

The final stage of the research design focused on integrating the literature in order to underscore the relevance between categories and to contextualise the findings. This stage has the greatest implications for an inductive approach to research because the literature serves as a framework to validate the analysis (Strauss and Corbin, 1998). For the present study, it was important to achieve theoretical saturation in totality and to validate that approach because the purpose of the research was to create a consolidated theory. This step is meaningful because it is an attempt to demonstrate that the current research has been thoroughly compared against findings from previous studies, which further ensures the validity of the present findings.

Chapter 4 — Cooperative practices and informal association among five star hotels

4.1 Introduction

This chapter will assess and evaluate the data gathered in the study to explain what cooperative practices—particularly knowledge based cooperative practices—occur amongst five star hotels. To do so, this chapter will examine what the knowledge is that is shared amongst them, and under what conditions this knowledge sharing takes place. Also, this chapter will draw on the gathered research data to explain how these practices occur, and also to describe who are involved in these cooperative practices and why they are involved in this way. Also, to describe channels and means through knowledge sharing occurs and finally, factors that may affect knowledge sharing among five star hotels.

The data of this research project reveals that, although five star hotels are competitors, six cooperative practices take place among them. Five of these practices are knowledge-based:

- Problem solving.

- Sharing creative ideas and practices.

- Price determination and finance-related issues.

- Determining salaries and employment-related issues.

- Determining market position.

The sixth practice is customer referring. Although this practice differs from the previous five in that it is not a practice based on knowledge, it is important as it strengthens ties and generalizes reciprocity among five star hotels. Furthermore, it emphasises issues of informal relationships and cooperation among five star hotels. Moreover, the data reveals that five star hotels form an informal association which requires membership to involve in. Moreover, it reveals that social network is the channel through which inter-organisational knowledge sharing occurs. Furthermore, it reveals why hotels might still have a vested interest in sharing their knowledge even when they do not trust each other.

The chapter is divided into three main sections:

The first, dealing with the five knowledge-based practices identified above; as well as with cooperation practices not based on knowledge. The first knowledge-based cooperative practice relates to problem solving. This first subsection demonstrates how five star hotels share their knowledge to solve two types of problems: industry wide problems and hotel specific problems. It also shows how hotels endeavour to protect their business and their elite status, an undertaking which encourages them to cooperate in solving problems.

The second subsection focuses on the sharing of creative ideas and practices. It reveals types of ideas and practices that five star hotels share among themselves as well as practices that they learn from each other. Crucially, it shows how the potential to gain benefits from such behaviour encourages these practices despite the hotels involved being competitors.

The third subsection concerns determining prices and discussing finance-related issues. Two types of pricing plans, for rooms and for other purchases, will be revealed wherein hotels needs to exchange information in order to devise them properly. This subsection also shows how five star hotels share their knowledge in order to control their market and gain a better bargaining position.

The fourth subsection discusses three issues relating to employment in which hotels share their knowledge: determining employees' salaries, deciding on employing or rejecting applicants, references, and marketing and passing on information about unwanted employees in order to dismiss them fairly. It also demonstrates how these practices take place, and discusses the reasons hotels are encouraged to cooperate in these practices.

The fifth subsection of the knowledge-based practices shows how hotels exchange details about average room rates and occupancy percentage for the purposes of evaluating their position in the market compared to their competitors in the same market. This subsection is also concerned with how they convert these details into useful knowledge which enables them to maintain a better position amongst their competitors.

Followed by the discussion of the only non-knowledge-based cooperative practice identified in the research: referring clients among hotels. The analysis will focus on demonstrating how retaining clients and maintaining a good relationship with them stands behind hotels' willingness to cooperate in this practice.

The second main section discusses the informal association, which is formed among five star hotels. It is divided into four subsections. Firstly, it focuses on the informality nature of this association. Secondly, it focuses on this informal association's membership

which is determined by two factors, hotel star rating and competition. Thirdly, it focuses on the social interaction among individuals which is considered the channel through which members of the association communicate. Fourthly, it focuses on different means of communication employed by individuals to facilitate their communication.

The third and final main section discusses how withholding information and spinning its meaning affects trust among hotels, before going on to describe several justifications which can stand behind this behaviour among association members. Although withholding information and spinning its meaning can affect trust amongst the members of the association that forms between five star hotels, they nevertheless continue to communicate and share their knowledge.

4.2 Cooperative practices

4.2.1 Knowledge-based cooperative practices

Although five star hotels are competitors, the data reveals six cooperative practices take place among them. Five of these practices are knowledge-based: problem solving, sharing creative ideas and practices, price determination and finance-related issues, determining salaries and employment-related issues, and determining market position. The sixth practice, which is not strictly based on knowledge as the previous five are, is customer referring. This section focuses on each of the five knowledge based practices in turn.

4.2.1.1 Problem solving

Two types of problems take place in hotels: industry wide problems, which affect all hotels involved in one market equally; and hotel specific problems, which occur at the individual hotel level. Hotels share their knowledge to solve the former type of problems

in order to protect their business and their status. They also share their knowledge to solve the latter type of problem. This section will present data gathered from the interviews which focus on these two types of problems and the knowledge-based practices employed to solve them.

- **Industry wide problems**

Five star hotels in the religious destinations of Saudi Arabia face common problems. Accordingly, they find themselves in a position where they must collaborate in order to solve these problems. The use of the word 'equally' in the following statement reveals that collaboration among hotels to solve problems is conditioned by involving others who share these problems. Being in the same situations encourages these hotels to share their knowledge and similar experiences with the aim of successful problem solution.

> "If there is a problem which affects us all equally, we need to have a common response. We need to work together." (Bandar)

Another participant brought up the same point. He used the word 'must' to explain the necessity of cooperation among hotels to solve their common problems.

> "Sometimes one of the countries' markets will run into a problem for some reason. This problem leads to a decrease in the numbers of visas issued to guests wishing to visit our destination. Operators in this country transfer the news to hotels. Hotels get together and ask each other how each one is planning to remedy the situation on their end. We consult each other. Hotels must all be ready to solve this type of problem together." (Rami)

As five star hotels are business organizations, they aim for benefits and profit. According to this participant, these benefits encourage them to share their knowledge and experiences to solve their common problems.

> "At the end of the day, there are things which are beneficial for all of us. There's nothing wrong with working together to solve problems." (Aiman)

Existing problems are discussed by hotels to find possible solutions for them.

> "We speak about our problems, we discuss any existing problem we have."
> (Ashraf)

Not only are existing common problems discussed, but also potential problems, which may be avoided through the sharing of information.

> "[...] or problem that may exist in the future and affect us." (Ashraf)

Hotels understand that solving common problems requires being honest. This participant emphasised elements of honesty and transparency as key in solving common problems. This emphasis reveals that there is the possibility of hiding or being untruthful.

> "The point is that honesty is required and we need to know how, for example, [a named hotel] will deal with this specific problem in order to reach a solution."
> (Rami)

Protecting the business

One of the reasons which encourage five star hotels to cooperate in solving their mutual problems is to protect their business. A look at several different examples of the practice will demonstrate this cooperation.

The differences between the Hijri [Arabic] and Western calendars is one example of an industry-wide problem. A look at this example will demonstrate how hotels share their experiences and knowledge to solve industry-wide problems.

> "We all faced a problem when there was a difference between the Hijri [Arabic] and Western calendars." (Aiman)

> "It happened twice in the last four years." (Rami)

The Hijri calendar is different from the Western calendar in that it is not fixed as the Western calendar because it follows the moon: the moon determines the starts of each month. This does not become a significant issue throughout the whole year, but it does raise problems when it comes to certain religious rituals—such as the holy month of Ramadan, and the days of religious rituals of Hajj—as they must be done on specific days in relation to the lunar cycle. Muslims everywhere follow the moon to determine when they should start to fast for the holy month of Ramadan and when they should start the Hajj. Accordingly, certain religious rituals have no fixed day from year to year. Unfortunately, companies and individuals usually book their nights at hotels according to the Western calendar. Therefore, if there is a difference between the Hijri and Western calendars at that time it will likely cause a problem due to the numbers of reserved nights at the hotels.

> "In one of the years, the Hajj fell early, which affected the number of nights which were booked by the groups." (Ahmed)

Hotels prefer not to solve this problem separately as it is a common problem and happens to everybody involved.

> "So we thought about the issue together and considered what we would do." (Ahmed)

The following two statements show how hotels worked through the matter together as to what should be done in order not to lose significant revenue. It is only one night, but for hotels this single night represented a substantial financial stake during the Hajj season. 'We', in the following, refers to the member hotels involved.

> "Should we count the extra day?" (Aiman)

"Should we ask the travel agencies to pay the extra night?" (Ahmed)

Hotels joined together to come up with a variety of solutions based on everyone's experience. They then selected the best option and all agreed to follow it.

"Finally, we reached a certain decision to solve the problem and everyone committed to it." (Aiman)

Another problem the hotels consider as an industry wide problem which must be solved in order to protect their business is 'blockers'[*] or trouble makers. While the problem mentioned earlier require discussion and sharing knowledge after the problems happen, with the problem of blockers, sharing information occurs before the problem. Hotels pass on certain information to each other in order to avoid this type of problem.

Blockers are any individuals or companies who have an unpleasant history with hotels. They cause trouble when they stay in hotels either because they do not pay on time or because they act fraudulently and evade payment entirely. As a result, when blockers become prevalent, they cause significant financial problems for the hotels. When hotels are certain that specific individuals or companies can be a source of problems for them, they pass on the details of those individuals and companies to other hotels. Often, before hotels sign contracts with companies they consult each other. They ask others who have already had experience with these companies as they may have some useful information

---

[*] This term is used by the participant to mean those who prevent them from conducting their business effectively. It is an example of metonymy which, is traditionally viewed as "a figure of speech that involves a process of substituting one linguistic expression for another "(Panther and Thornburg, 1999:333). This linguistic view is challenged by the cognitive view. This view emphasises on that metonymy is a conceptual phenomenon as well as a cognitive process which operates within an idealized cognitive model (Radden and Kovecses, 1999). However, linguistic and non linguistic issues are covered by Seto's (1999:91) broad definition of metonymy which is "a referential transfer phenomenon based on the spatiotemporal contiguity as conceived by the speaker between an entity and another in the (real) world".

about them. Not only do hotels pass on information to each other about blockers or trouble-makers, they also suggest solutions based on their experiences with them.

> "Have you heard about blockers or trouble-makers in the market? There are some people who get involved in our industry only to play games with it. One of the companies we deal with, for example, is very bad with paying on time. Another example is a company now known for international fraud. I will give the example without mentioning the name, but a few years ago, a company from eastern Asia signed a contract with us in the Hajj season. They did not pay the last instalment. I passed this information to other hotels. The sales manager asked me about this company because I had dealt with it before. I warned him that this company did not pay the last instalment. If he has to deal with him, he should request payment in full in advance." (Saher)

Trouble-makers or blockers are not only those who cause financial problems to hotels. They can, according to the next participant, be those who create problems out of nothing when they stay at hotels. Before hotels consider clients as trouble makers they have to have more than just an unpleasant experience with them. When they suspect a certain client to be a blocker, hotels put him under observation for a while. When it is proved that they are trouble makers they add them to the list and pass this information on to other hotels.

> "Trouble-makers can be a company or an individual guest. For example, we had a guest who stayed in a very excellent room and he got good service, but he caused troubles out of nothing. The first time, I just put a question mark in front of his name. The second time, he came and caused a problem again out of nothing I considered him a trouble maker and passed his details on to other hotels. We cooperate in this. It's very natural for sales managers in other hotels to call our sales manager to inquire about a certain individual or company. And it is our duty to answer them very frankly and tell them whether they are good clients or not. We advise them to be careful when they deal with them if they have to. It's natural to swap this type of information among us." (Saher)

Negotiating with regulators

Hotels are aware of the power they possess when they cooperate in making decisions in cooperation to solve their problems. They understand that although they are competitors,

working together and, to a certain extent, being champions of each other against mutual threats, will end up being to the great advantage of each individual hotel.

> "These hotels should have one voice. I mean, if you make a decision by yourself you may lose […]. It is better if they cooperate and together have one voice in order to gain benefits. At the end of the day, we work in one market." (Mansor)

The tourism and hospitality industry is not stable and faces changes from time to time. These changes are the result of the economical, political, and environmental factors. Based on these changes, which may happen abruptly, government regulators sometimes alter or initiate relevant legal statutes which affect the hotel and tourism industry, statutes which need to be followed by hotels and others who are involved in the industry. As these regulations may affect hotels' business, hotels need to discuss them with each other to see what effect they will have on their business.

> "We debate any new rules and laws or any changes to Hajj contracts or Hajj procedures. We discuss them together because they may be a benefit for all of us or they may not. We discuss them and make a joint decision in order to have a united voice regarding whether or not to accept them, a decision which will be to the benefit of everyone." (Hani)

The following example will show how competitors act like a team and unite their voice to negotiate with regulators to protect their status. Recently, hotels were shocked with a new local law which states that each hotel must pay insurance for each contract they sign, amounting to fifteen percent of the contract value. If there is a breach of the contract, the amount will be deducted from the insurance. The speaker below describes how five star hotels believe that they should be excluded from such a law because they have their own standards, which protect the customers' rights—the aim of the law:

> "Why should we be held to this law? We are five star hotels—our services are guaranteed and there are contracts between us and the companies. Who do you think would need to pay insurance? People who work only in the high tourist

seasons need to pay insurance. There are people who rent a building or even several buildings for three months, the period of Hajj season. They then rent these buildings to visitors during Hajj season only. Sometimes problems happen between those people and their visitors for a variety of reasons. In order to insure visitors' right[s] in case of a breach of contract, authorities ask those investors to pay insurance. But we are registered companies in the Ministry of Commerce and registered in the Chamber of Commerce. We are companies which have a secure position in the industry and specific standards; we should not be involved in this." (Aiman)

As five star hotels felt this law affected them unfairly, they had an urgent meeting to discuss how to deal with this new development.

"Therefore, a meeting was held among five star hotels and we had a debate regarding this issue, and came to a decision as to how we can protect our right as five star hotels. We decided to write to the authorities asking them to exclude us from this and explaining our reasons." (Aiman)

In this meeting, they decided not to reject or boycott the law outright because they cannot reject the laws of the authorities. Alternatively, they decided to write to the authorities explaining the situation and asking them to exclude five star hotels from such law.

"But unfortunately we failed." (Aiman)

When told that there was no way for them to be excluded, they knew they must find another way to deal with the situation. They met again and discussed it for a second time.

"How will each hotel deal with this? How will we pay this insurance?" (Bandar)

"We had a discussion between us. The managers talked and talked about it." (Hani)

Based on the different experiences and knowledge of each of the hotels, the views were varied.

> "Some suggested a letter of financial guarantee, others suggested a cheque, and others suggested cash." (Rami)

Paying the guarantee to authorities in cash meant that the hotels would lose the amount of the insurance for the Hajj period—a significant loss of cash flow during the high tourist season. Therefore, they decided not to pay in cash but rather to write a letter of financial guarantee to the authorities, which enables the latter to take the amount when it is required, but ensuring the hotels will not have to lose this amount for Hajj period. They suggested this to authorities and they agreed.

> "In conclusion we decided to suggest a financial guarantee letter to the authorities instead of paying cash. Paying cash meant that I would lose the amount of the insurance for the Hajj period. And our suggestion to the authorities worked."(Hani)

Another common problem regarding which hotels must negotiate with regulators to solve relates to visas. Visas are official documents issued by a country's government allowing the holder to enter or to leave that country. Accordingly, they have a significant effect on business hotels as they are the main means of access for visitors to enter the country and come to the religious destination.

One of the problems posed by visas is that the country has a single visa system. This means that all visitors who come to the religious destination—whether they are VIP or business men or ordinary visitors—are included in the one visa system. This creates problems for five star hotels, according to this participant.

> "The problem is that there is a single visa system for all visitors." (Majed)

Having a single visa system creates problems for five star hotels because this may reduce the number of VIP and businessmen visitors. It is this type of visitor for which

hotels compete, as they are the clients who rent the most expensive rooms and ask—and pay—for all available services. The potential loss of this type of client, and the possible decrease in occupancy percentage due to the single visa system cause worries among five star hotels.

> "VIP procedures for the visa application should be simplified because the single system will discourage such visitors from coming here, due to the perceived difficulty of obtaining a visa." (Majed)

It is not only the single visa system which causes problems for hotels, but also embassies as well. As an illustration, from time to time embassies will announce the opening of periods for authorisation of visas. When embassies are unprepared for these periods, it can cause problems. The problem here is that there exists the possibility for huge financial loss for the hotels. The root of this problem lies in the fact that such announcements make hotels start taking reservations. These reservations will be cancelled or delayed when the embassies are unable to follow through on their announcements. Because this problem causes damage to hotels' business and may lead to crucial financial loss, hotels cooperate to solve this problem. They first tried to discern what reasons stand behind this problem. After that, hotels discussed these reasons and debated different solutions which could aid towards their resolution. Then they suggested the most appropriate solutions to the authorities involved in this problem.

> "When they announce the opening of periods for authorisation of visas, for example, from the first of Safar [Arabic month], and embassies are unprepared for that, it creates a problem. As the result of the delay, many of the reservations in our hotels are cancelled or delayed. The income of the hotel is a million [Saudi Riyals] a day and a month's delay will harm the hotel's business. The hotel will lose a month's worth of business—a huge loss. We have discussed this visa problem before. Maybe it's an inadequate number of employees in the embassies or maybe there is something wrong with the rules. In the end, we tried to suggest some possible solutions to authorities." (Jaber)

116

Protecting reputation

Not only do competing five star hotels share their knowledge to overcome problems related to the protection of their business, and to negotiate with authorities, they do so as well to overcome problems that affect their reputation as elite hotels. In the hotel industry, reputation forms one of the major factors which influence their ability to succeed. Having a good reputation leads to attract more clients, and thus more selectivity. They pay a lot of effort to obtain a good reputation because their business relies on it. It follows, then, that if anything happens which may cause damage to their reputation, hotels cooperate to stop it.

The following example will show how hotels work together to protect their status. Travel agents sometimes make deals with certain five star hotels, such as renting out parts of the hotel for a season, and charging their own rates for the rooms. Other five star hotels, however, think this strategy for running a business contributes to a bad reputation about them, for three reasons: first, it shows that five star hotels cannot guarantee to have business for the whole year; second, because they believe hotels should rent the rooms to the source, not to the travel agents; and third, because it shows that they are not generating their own business. Travel agents should only play the mediator role, and no more.

> "Travel agents sometimes make deals with some hotels according to which they rent their hotels or part of their hotels for a specific period, such as the summer period. They open their office in the hotels and start to sell the rooms from the beginning of the summer holiday until the end. We call this 'allotment'. This gives a bad image to the hotels. Take for example, [a named hotel], [a named hotel], and [a named hotel]—they used to do this before. But this really reflects badly on the other five star hotels and gives them a bad image." (Fareed)

As many five star hotels are against 'allotment' and think it damages their status and reputation, they deploy techniques to stop those who use this strategy to run their business. A number of hotels have debated this issue and resolved with an agreement that they all should not engage in this sort of deal.

> "Sales managers discussed this with each other and concluded that hotels should not do this. We should sell to the source directly and not through travel agents. We debated this and we have all agreed to avoid this practice." (Fareed)

- **Hotel-specific problems**

The second type of problem that challenges hotels concerns issues that arise in individual hotels. Such problems happen to a certain hotel because of reasons related to that particular hotel. Although this type of problem happens to individual hotels, members of the association still exchange their knowledge and experience to solve them.

> "As a matter of fact, we cooperate in solving persistent problems. We talk, we discuss, and we put forward different takes on the situations. Sometimes cooperation results in a solution to the problem; other times not." (Morad)

> "We speak about the problems one of us faced and how he resolved it." (Ashraf)

According to the following participant, however, when a problem arises which concerns only his individual hotel, he does not seek for help from others involved in the association straight away. Only once he runs out of solutions to resolve the situation does he consult others.

> "When I face a problem I look to the maintenance team here first. If they cannot solve it, I send it to the factory. If they cannot help, then I consult with chief engineers in other hotels to solve it." (Kareem)

This participant explained the gradual steps his hotel follows before they consult others.

> "Sometimes, we face very complicated problems. We call them 'malicious problems'. You can't find solutions for this type of problem in the manual: Only experience can solve them. You need to rely on your experience to solve them. You need to find out what exactly the problem is. You examine every factor involved, gradually, and part by part until you know what exactly the problem is. After that, you start to solve it. Not everything is written in the manual. If it's basic, we go back to manual to solve problems, but experience is an important factor. If we have a problem in the hotel, all engineers sit with each other to discuss it. Sometimes they can't solve it so we discuss it with engineers in other hotels. I may discuss complicated problems with other engineers in other companies because this discussion provides you with new ideas or new solutions which you may never have thought of before." (Tamem)

Not only are existing problems discussed amongst hotels, but old problems as well: drawing on the insight they gained from incidents which have happened to them in the past, and the approaches they have learned to be best to deal with them. Although they are different hotels, their operations are similar. Accordingly, what has helped one hotel in the past may help another in the future—without the latter hotel having to go through the drawn-out experience of trial and error to come to a solution.

> "When I discuss with other hotels the issues my hotel faces, it's nothing formal, it's just sharing our collective knowledge. I tell them about problems that I faced and the approaches I used to solve them. They tell me about problems that they faced and how they solved them." (Mosleh)

In conclusion, five star hotels share their experience and knowledge to solve two different types of problems related to their work: industry-wide problems that affect each hotel in the market equally; and hotel-specific problems which arise chiefly due to the internal operations of a specific hotel.

4.2.1.2 Sharing creative ideas and practices

As the nature of work and operations at five star hotels in the religious destination of Saudi Arabia are similar, the possibility exists for such hotels to share creative ideas and innovative methods from one to the other. When one of the members knows that there is

a successful or efficient practice being applied at any of the other group members'
hotels, the former often adopts and applies it.

> "If we noticed any good ideas they have, and realise they would be useful for us,
> we take them." (Helmi)

One example of transferable innovation might involve a form of service, which has
proven to be effective in terms of attracting and gaining more visitors. When a hotel
knows about the positive effect of such a service being employed by other member
hotels, they add it to list of services they offer at their own hotel. Further, they may add
it not only to gain more clients, also to retain their clients as the possibility exists that
their clients might leave them for that particular hotel which provides an extra service.

> "The customer will go and talk about you and let everybody know that he
> receives a good service. You know we provide experts in religious rituals to
> teach visitors, answer their enquiries about the rituals, and distribute pamphlets
> and publications to them. This service isn't mentioned in our literature but it's
> available based on request. Because of this service, the hotel has acquired a good
> reputation among visitors. It has become very popular because of this unique
> service [...] To be honest with you, we did not invent this service. It was
> previously being done only in [a named hotel]. We took the idea from them."
> (Saher)

Training employees and improving their skills are fundamental issues in the hospitality
industry because they are one of the main factors on which hotels rely in order to run
their business. Hotels do their best and use various means to develop their staff.
Therefore, when a new idea or new plan for training is successfully established in a
hotel, the others apply them, such as the idea of employing English teachers in hotels
instead of sending the staff abroad to acquire English. This idea has been applied in one
of the hotels successfully and received well in other hotels because it saves money for
them while still keeping their standards high.

> "We came up with the idea of employing English teachers from abroad instead of sending our employees abroad to learn English. This idea succeeded here and some of the other hotels in the area are now considering doing the same." (Jaber)

Hotels do not have to spy on each other to learn about each others' successful practices. Although they are competitors, they tell each other about the procedures and techniques that have been useful or profitable to them.

> "They call me to ask what's new and I call them to ask what's new with them. They come to see our work, we go to see their work. I don't know how can I put this in words exactly, but it's like swapping ideas between each other." (Tamem)

Not only do member hotels tell each other about successfully established practices, they also help each other to adopt them. According to this participant, they do this because it is of mutual benefit to share knowledge in this regard. They give today and wait to take tomorrow.

> "I take from their ideas and experiences, and I share with them my ideas and experiences. If a program has been successfully proved there, I may add it here. I go to the manager of that hotel and ask him to explain it for me." (Jaber)

As hotel managers have had different experiences in their careers and have different ways of thinking through problems and opportunities, each will think about practices from a different angle. This may lead to a recognition of their hotel's strong and weak points which can be maintained or improved as necessary. This human resources manager believes that the most successful training practices are the result of knowledge sharing between him and other human resource managers at other competing hotels.

> "When human resource managers meet, each of them presents the ideas that he already has applied in his hotels and how well they have succeeded, like the ideas of training the staff, particularly with how to deal with guests. We always try to swap ideas regarding this issue to leave the visitor with the impression that this city and its people are hospitable. You know, the best-ever training programs are often the result of talking with other managers." (Saher)

Hotels do not apply practices from each other straight away. They must first be subjected to some sort of evaluation. These studies aim to determine the hotels' need for them and to determine their suitability and what would be required to incorporate them into the hotels' existing practices. If the need and suitability are proven, hotels implement them making any necessary additions or changes to the practices in order best to suit the circumstances of the hotels, as explained in the participants' declarations below.

> "We took the idea from them and added some changes to it, then we started to offer it to our guests." (Saher)

> "I took some of their ideas and improved them a little. After that I applied them here. I don't know how to describe how amazing they were and we still use these ideas. There are lots of ideas that we swap with each other." (Helmi)

This hotel manager has adopted the idea of 'gifts for special guests', which he had seen in another hotel. Before applying this idea to his own hotel, he looked into the financial details of the competing hotel, and found out that the budget of his hotel was much smaller compared to the hotel from which he acquired the idea. However, rather than giving up on the idea, he reduced the value of the gifts offered to special guests in order to fit within his own hotel's budget.

> "In Ramadan [Islamic holy month], some hotels offer gifts to long-term customers. These hotels' prices are more expensive than ours because we are new in the market compared to them and they are the oldest. Their prices are on the expensive side and our prices are a little bit cheaper. So, ok, I like the idea of the gifts—why don't I just adopt the idea with a small change in price? They offer more precious gifts and I give less precious gifts because a room here, for example, costs thirty thousand in Ramadan and a room in their hotels costs forty thousand. That's why there is a difference between the value of my gifts and their gifts. I adopted the idea with simple change to fit the needs and wants of my hotel." (Bandar)

In the following example, the idea of establishing three reception locations—an idea which proved its efficiency at one of the hotels—had been well-received among hotels. But it had not been adopted by them until later on because there just was not a need for it at the time. Hotels have to determine their own need for any practice before they implement it.

> "They were astonished by my three reception locations but they didn't apply it in their hotels because their hotels are smaller and they don't need that many reception locations." (Bandar)

This participant mentioned that he was inspired by the idea of a hotel having three reception locations, and is therefore researching the possibility of applying it in his hotel.

> "The only weakness in our hotel is that the capacity of this hotel is, for example, three thousand customers. Accordingly, the reception should be enough for five hundred people at least. I have visited some hotels, which have more than one reception. I like the idea and we're considering adopting a similar process like theirs, though the idea is under study." (Mohi)

Hotels consult each other before they implement new practices to their hotels. For example, the heads of food and beverage departments at hotels sometimes present theme nights, during which menus are prepared offering, for example, exclusively seafood, or meals from different parts of the world. On such occasions, hotels introduce new varieties and new components to their menus. Further, they invent new approaches to present the food and to offer the services to guests. Innovation is the main factor in a theme night. Although they are competitors, when they prepare their theme nights, hotels invite members of other hotels, in order to gather their feedback as to the strengths and weaknesses of the event.

> "[A named hotel] and [a named hotel] both presented seafood. They invited us to go to observe and taste. After that they asked us about our opinion of the nights. When I went I took with me the chefs from our hotel. There's an expectation of

honesty when we tell them our opinion, and it's taken as the constructive criticism of an expert, rather than as negative criticism." (Morad)

For this food and beverage manager, the reason for asking for the opinions and feedback of competing hotels is that they are sure that their colleagues in other hotels are the best in terms of judging their work; they are considered experts in their field. They believe the criticism they will receive from each other is constructive and will help them to improve their work. Therefore, they consult each other before they offer new dishes, approaches, and services to customers.

> "Our opinions will have an effect on the experiences of future guests. We didn't go there as customers, we went there as experts. Our opinions, therefore, were very useful and will help to shape the guests' impression of the hotel. I mean, when they offer this service to customers it will be based on experts' opinions." (Morad)

In conclusion, as five star hotels are competitors involved in the same market, they watch each other and transfer successfully proved practices amongst themselves. In order to transfer these practices, they need to know details about what is done at each other's hotels, and how successful these operations are. The reason for their willingness to share their successful experiences, even though they are competitors, is that they gain mutual benefit from doing this. The benefits in most cases outweigh the costs in this give and take, and, as a result, knowledge sharing as regards best practices has become part of five star hotels' cooperation.

4.2.1.3 Price determination and finance-related issues

Not only do five star hotels solve their work related-problems together and share their creative ideas and practices by means of knowledge sharing, but they also discuss issues related to finance and use the information and advice given to come to decisions.

Accordingly, this section focuses on the third cooperative activity amongst five star hotels wherein members of the group share their knowledge and experience.

Determining prices is one of the crucial tasks of running a hotel, and therefore needs to be conducted accurately. To run their business successfully, hotels need to set pricing plans for two things: rooms and purchases. In order to set these pricing plans, hotels need to conduct studies which keep them informed as to what is going on in the market in terms of prices. Reliable information, however, can only be gained from the hotels themselves. Thus, hotels need to share this information if they want to set accurate pricing plans.

This subsection will consider two main aspects of the finance-related issues in which five star hotels cooperate. The first aspect concerns sharing knowledge among hotels related to room prices. It also shows how hotels use this knowledge in different ways, which may cause damage to their business or may lead to a loss of credibility in the eyes of their clients. Further, an analysis of this aspect demonstrates how hotels control the use of this information to protect their business and also to protect their reputation in front of clients. The second main aspect concerns sharing knowledge related to the prices of purchases made for the hotel's operations and establishes how hotels work together, collaborating on their knowledge, to bargain with suppliers in order to overcome the problem of price disparity when it comes to purchases.

- **Room prices**

Price plans play a role in helping hotels to gain a high occupancy percentage. That is to say, there is a positive link between high occupancy rates and a good and accurate price plans.

"Each hotel looks out for its own benefit, wants to make the highest percent of occupancy, wants to be fully occupied. How? It depends on its price strategies. They determine the prices taking into consideration that they want to have their hotels fully occupied. This is just basic practice for each hotel." (Mosleh)

According to this participant, in order to gain business, competition between hotels has to take place. To compete successfully, they need to know what is going on at each other's hotels. One of the basic things they need to know is their competitors' price rates, in light of which they can devise their own price plans.

"You have to compete in order to get what you want. You don't sit back and relax and expect the business to come to you. No—it's the opposite. You have to know what happens there. You have to know your prices and you have to know their prices as well." (Mansor)

In order to determine the most suitable room prices for their market, hotels must conduct studies into what comparable hotels in the area are charging for similar rooms. Therefore, they find themselves in a position where they need to exchange information with each other about their prices in order to have an accurate understanding of their market. Gathering such information ensures hotels will not overcharge the market demand and lose clients. According to this participant, the fact of being competitors explains why they need each other's prices when they set their price plans. This reveals one way in which competition encourages the exchange of information.

"As a company, sometimes we get instructions from the management to increase the hotel's average room rate. This requires some research in order to determine the increase rate. Naturally, before setting a pricing plan, a study must be prepared to determine the market's prices—we can't go over a certain level. The sales and marketing department in our hotel is responsible for collaborating with other hotels about these market and price studies. [...] We take their prices, they take our prices [...] you know they are our competitors! We need their prices when we want to make a survey before we put together our own price strategies." (Eiad)

Protecting business and reputation

Sometimes, when hotels know each other's prices, they reduce their prices in order to gain more clients: the information they have gained is used as an approach for beating the competition. According to this participant, this type of competition causes harm for others because they will end up with low occupancy percentage. Also, he clarified this by giving an example of a hotel which is involved in the same market and has a similar star rating, yet it sometimes reduces its price to attract clients and gain a higher occupancy percentage.

> "There is a standard price for five star services. Some of the hotels go below these standards. They don't care about anything—they just want to fill their hotels, which harms us all. I'll give you an example: [A named hotel] rents you the room for two hundred, okay, and this hotel is a five star! Keep this in your mind. I, on the other hand, do not rent the room for less than five hundred. Where will you go? Of course—to the one that charges two hundred. This is what I am trying to say. This affects us all, harms us all, does it not?" (Saher)

The same point is emphasized from a different angle. One of the hotels is known as 'the monster' or 'the whale' because it is remarkably large. This hotel causes problem for other competitors in the market because it sometimes reduces its prices, which enables it to gain more clients. Its size and capacity enables it to take huge numbers of clients and never reject clients for a lack of vacancy. He also explained that a reason for charging below the market price is to cover its expenses. Although the reason for reducing the prices is different than in the previous case, it affects others' business just as badly.

> "[A named hotel], the monster, has around fifteen hundred rooms. We other hotels in the area suffer from this. It has a huge number of rooms so it rents for lower prices in order to fill its rooms. It must achieve maximum or near-maximum capacity in order to cover its expenses. And those expenses are high: the minimum for their electricity must be close to a million [Saudi riyals]. I have three-hundred and forty-two rooms and I spend about four thousand [Saudi riyals]. Think of how much it must cost them to operate, and they have a shopping centre!" (Saher)

To overcome the above mentioned problem, competing hotels "should have a minimum which no one can go below" (Saher). Therefore they work together to identify the maximum and minimum prices. The reason for such cooperation is to ensure all the hotels in the association can have a reasonable expectation of filling their hotels to predicted levels, and not be damaged by competing hotels which drive down the market.

> "Uniformity in prices does not mean one price for all hotels. It means merely to determine the maximum and minimum prices for similar rooms. This is common practice between us." (Naser)

Another reason why hotels determine the minimum and maximum together is their belief that playing with prices is not a respectable form of competition. Although hotels are in favour of competition, some of them are against this sort.

> "It's good to compete but what isn't good—and isn't going to happen [in this particular hotel]—is reducing the prices below market value in order to attract clients." (Rami)

The damaging effects such actions have on the business of others is not the only reason for rejecting competition through reducing prices, reputation plays a role as well. Hotels may lose credibility in front of clients, a major factor in sustaining their business. Clients cannot tolerate dishonesty and therefore may not go to the hotels that they find out play with prices.

> "This is not healthy. Competition in prices is not right because this is altering the value of a room without adding any services. The clients will discover this and they will go to other hotels which may have the same prices but extra services." (Mohi)

Hotels understand the importance of committing to the maximum and minimum agreement, and keep these limits in mind when constructing their annual price lists.

> "I do not go over or below them. I determine my prices according to these limits, for example, from one thousand to ten thousand. I don't go below a thousand or go over ten thousand." (Saher)

Not only do hotels determine the maximum and the minimum prices for a room, they also discuss and swap the different points of view which relate to price-determination. In other words, they explain for each other the logic behind their selection of certain prices for certain types of rooms.

> "We talk about the prices: 'Why are this year's prices so high?', 'Why is your price for that type of room so high?' – 'My price is high to achieve a certain budget.'…Conversations like that!" (Basem)

> "There is a communication between us. We meet and sit together. In these meetings everyone talks and tells about their experiences. So you can take a piece of information from this discussion and another piece of information from that discussion." (Mosleh)

- **Prices of purchases and goods**

The prices of hotel purchases is another financial area in which knowledge sharing takes place among five star hotels. Hotels spend a significant amount of their budget on purchases and goods which they consume in operations, and, accordingly, it becomes imperative for them to research and obtain the most appropriate prices for these purchases. There are two ways to accomplish this, either through the purchases and goods market itself or through communication with other hotels in the market which buy similar goods and products.

> "We know the prices of goods when we go to the market and find out about them, or we can also find out this information through the other hotels. These are the ways to get information to help us to know what the prices of goods and products really are."(Hani)

The research conducted has revealed that, in general, hotels prefer to obtain information about the products and their prices from each other. In order to gain such information, hotels conduct a survey of purchase prices.

> "Many things happen between us, such as conducting a purchase prices survey. It's natural for these and other such things to take place." (Ashraf)

Hotels prefer this approach as opposed to researching price data from the market or from suppliers directly, because it enables them not only to gain information about products and their prices but also to compare the prices they pay for products with the prices other hotels pay.

> "There's a survey of goods which we buy for the hotel, a comparison between the goods and products I buy and those bought by the other five star hotels around me." (Hani)

Such purchase prices surveys are conducted primarily to discover whether suppliers are selling certain products at a fixed price or not. Obtaining this information from other hotels is a reliable method, as they are the only ones who know exactly how much they pay for their products.

> "Sometimes I send someone to other hotels on my behalf or I do it myself and ask them about the purchases they've made recently and the prices they've paid for goods in their hotels. We should know each other prices in order to avoid fraud." (Hani)

Negotiating with suppliers

Paying different prices for the same products is as much of a problem for hotels as it is for any industry. They consider it a fraud, which needs to be stopped.

> "Sometime I buy a certain product at a certain price and then I find out another hotel buys it at a lower price. They tricked us! It shouldn't be like this!" (Hani)

Because of the large number of suppliers and the different prices they offer, hotels are often faced with the problem of a lack of fixed prices. Hotels are aware of the power they have when they cooperate. Therefore, in order to overcome the problem of price disparity, hotels decide to select specific suppliers for different products. They all know these suppliers and they sign contracts only with them. Accordingly, they put pressure on suppliers to have standardized rates because suppliers know about this agreement.

> "The other day, we met to discuss the possibility of signing one contract package. I don't mean buying common goods and dividing them among us. I mean that all the hotels select specific suppliers to deal with but each hotel signs its own contract. In this case, we're sure that we will get the same price because these suppliers know about our agreement. I know what I'm going to say may sound ridiculous but it's just to simplify the situation. So, for example, I deal with a supplier and I buy a tomato from him at three riyals [Saudi currency] and [a named hotel] buys it from him at two and seventy five and [a named hotel] buys it at three and twenty five. The supplier treats us unfairly." (Eiad)

Through exchanging the prices each hotel pays for certain products, hotels succeed to control the situation and overcome problems related to unfixed prices for the same products.

> "It's a kind of control we get that we know each other prices." (Hani)

Conducting the survey of purchase prices and aiming to fix products' prices are not the only financial issues about which hotels collaborate. They speak with each other about any relevant issues concerning prices, learning from each other's experiences and developing new ideas of how to deal with different situations.

> "Financial controllers in the central area meet monthly, often a dinner meeting at one of the hotels. At this meeting, we discuss things that occur in the market, for example, talking about services that can improve tourism, or discussing prices for raw materials, and also discussing contracts with suppliers. We ask each other about our suppliers of vegetables and fruit and the prices they offer and the possibility of sharing in a bulk order, things like that." (Eiad)

This is an example of an idea which came out of discussion that took place amongst finance managers. Hotels are anxious to find ways to reduce the costs of their purchases and goods, and this encourages them to work together. Now, some of the companies which supply products to hotels are based in other cities. These companies usually deliver the products for hotels at different times, according to the hotels' preference. These companies ask for delivery charge. One solution reached in collaboration amongst the hotels was to have one day for delivery to them all. Such collaboration reduced the overall cost by lessening the delivery costs.

> "There is a company which is based in Jeddah and has no branches here. This company delivers material to me and delivers to a few other hotels in the area. Instead of delivering to each one separately we agreed together to organize this so that the track comes on one day to supply us all! This will cost less for all of us." (Hani)

Hotels justify their desire to reduce costs by the fact that it is ends up benefiting the customer. When they reduce purchase prices, they will spend the money saved on other things which will improve the quality of service offered. Thus the customers will end up with a higher service standard, and be more satisfied.

> "When we buy at lower prices we can improve our services because this money will be used on different things." (Hani)

The same point is emphasised from a different angle: that the more hotels spend on purchases, the more customers pay. At the end of the day, the customers will benefit from a reduction in prices because they will pay less. Therefore, reducing prices will benefit both the hotels and their customers.

> "If I bought at high prices, I'll make my services to the customers at high prices. I'll not end up on the losing end! "(Hani)

In conclusion, hotels devise their pricing plans for rooms and for products they consume based on studies of what is going on in the market in terms of prices. Reliable information can be gained only through the hotels themselves. Thus, hotels need to share this information if they want to set accurate pricing plans. Furthermore, some details about room pricing may be used in a way that damages business for some members or may affect the reputation of the whole group. Therefore, hotels cooperate to control these situations in order to protect their business and protect their reputation. Moreover, a number of hotels have reported using their collective power to bargain with suppliers to achieve discounted rates for products purchased, as through bulk ordering, known consulting or contract practices, or organised delivery methods.

4.2.1.4 Determining salaries and employment-related issues.

This section introduces another main knowledge sharing practice which takes place among five star hotels. The data shows that there are three knowledge sharing practices related to employment that occur among five star hotels: determining employees' salaries, reference, and employment dismissal.

- **Determining employees' salary**

Hotels conduct a number of surveys; one of them is the salary survey. Before determining employees' salaries, hotels need to conduct such surveys to identify the average salaries in the market.

> "It is important to study the average salaries at competing hotels and determine the average in the market. Based on that, we determine our employees' salaries." (Naser)

> "Why do you think I need to conduct a salary survey? When I employ people I need to take into consideration the average of salaries in the market." (Hani)

This participant is keen to determine the salary policy at his hotel based on the salary survey, because this gives him insight into the salaries and annual increment increases of similar jobs at other five star hotels. This is both to maintain competitiveness when hiring and retaining staff, and to avoid offering too much. Thus, if they are not within the average rate salaries in the market, they need to change their salaries' policy. The use of the phrase 'have to' in the following quotation shows how it is something vital for this human resource manager to base his salaries' policy on the average rate salaries in the market.

> "I have to know that am I equal to others in the market in terms of salaries. If the salaries I offer are lower than the market, I must correct them. I have to study the market even when I want to determine the annual increment. I look to what's the average going rate in the market and base my decision on that." (Jaber)

The most reliable source for the information needed to conduct studies to determine the salaries is the data gathered from the hotels themselves.

> "Let's say we need advice from each other. Financial controllers advise each other when they face problems. We also cooperate in a salary survey and exchange information about the salaries we offer." (Ashraf)

Retaining employees

The following statement shows that retaining employees is the primary reason behind the tendency to exchange information among hotels regarding salaries.

> "I do this because I need to retain my employees "(Jaber)

Employees are one of the essential factors on which hotels rely to run their business. Hotels put funds aside from their budget to train their employees to help them to acquire the necessary skills to perform their tasks.

> "I spend between five thousand and sixty thousand annually to train each employee." (Jaber)

> "We have increased the training budget to between three hundred thousand and five hundred thousand a year." (Salem)

It is not only money that hotels spend to train their employees. They also spend the time and effort required to find suitable institutions for training—sometimes even training abroad, which requires signing them in and following up with them.

> "One of my employees is studying in France right now. He wanted to resign in order to study for a degree. I refused and offered to pay half of his tuition. Why? Because his performance was high and I want to keep him [...] He is not the only one; I have a number of similar cases. We sent another one to England to train for three months and another one there also to train for a year." (Jaber)

Hotels spend such sums on their employees because they consider them as long-term investments.

> "The management is in favour of investing in human capital [...] This sort of spending is costly but it's an important investment for the organization." (Salem)

After all the effort hotels put into training and improving their staff, they have a vested interest in retaining them and preventing their movement to other hotels. Salaries and benefits are two incentives hotels can offer to do so.

> "Employees need to feel satisfied with their salaries and their benefits— these should be attractive enough to prevent them from thinking about other offers." (Basem)

From the experience of this participant, employees' loyalty is mainly based on such salaries and benefits. That is why they are ready to leave their hotels the moment they find more money in other places.

> "Once he gets trained and becomes qualified to perform a certain task, he leaves to another hotel. He looks for the hotel which pays more. It's just a numbers

game. One in thousands might be clever and stay until he gets all the knowledge he can from me. The majority look for money." (Mohi)

The tendency among hotel staff to look for offers with extra money may also be interpreted as not being comfortable as the result of not having the salaries they desire.

> "I have to study the market in order to keep my employees—whatever it takes, because these employees may leave me if they're not comfortable at the hotel." (Jaber)

Hotels take part in employees having the tendency to be loyal to salaries. Employees cannot leave their hotels and go for another one unless they are invited to do so. This invitation comes in a form of an offer of a greater salary. The following quotation explains this situation.

> "Our company considered a school in training. Our employees are trained very well and are very professional. They [competitors] wait until we build up the talent of our staff—the result of much training and much experience—and they buy it with a higher salary. I pay more than this extra money on them; I pay thousands more to give them the training they need to become as good as they are. They come to me fresh, a blank canvas, and I give them the knowledge and training they need. This is not decent competition—it's like a war of talents." (Bakr)

> "Some hotels steal your employees. I consider this stealing, not healthy competition." (Baker)

This participant stated that the situation is endless, that it will go in a circle as long as hotels keep competing with others by attracting well-trained employees to work for them.

> "You may find some good people and you train them and teach them, but after three, four months, the hotel next door offers him an extra thousand and he'll leave. Ok, why have I just trained him? I'm not getting any benefit out of this. Also, that hotel will face it too, because he will leave them just as quickly if he finds a better offer. It's just like this" (Mohi)

This situation causes a loss for hotels. The loss includes the employees themselves and even more than this because, as mentioned earlier, hotels spend lots of money, time, and effort to train their employees. Further, the loss means that the hotel has to find new individuals to replace the employees who leave and start training them from the beginning, which implies paying again more money, more time, and more effort.

> "I lose a lot; I suffer a direct loss and an indirect loss as a result of this turning over." (Bakr)

Hotels are aware that their employees are always seeking the highest possible salaries and associated benefits, so they devise ways of ensuring employee retention in the face of competition. Workers compare the salaries offered at different hotels, in order to make sure they are getting paid comparable wages, as well as to take advantage of any greater offer available to them. Therefore, hotels must ensure that employees are convinced that they are being paid a salary they deserve; otherwise, they may seek employment elsewhere. In response to this, hotels have taken to researching this comparison themselves, and building their salary policies to satisfy and retain their employees. This human resource manager explained that the reason for exchanging information about salaries among competing hotels is because it provides reliable data to use in determining salaries on an individual hotel basis as well as standardising salaries across the industry.

> "How can I evaluate my hotel? I evaluate my hotel through other hotels around me. If I give five thousand to my employee and another hotel would offer him six thousand for the same work, he'll leave me whatever I do to keep him, wouldn't he? There's no doubt he'll leave. How do I know that another hotel might offer him six thousand? The salary survey helps me to know this information." (Saher)

Performance and efficiency

Another reason hotels are encouraged to share their information about salaries regards employees' performance and efficiency. In the following quotation, the participant made a connection between salaries and performance. The more unsatisfied an employee is about his salary, the more performance goes down, and vice versa.

> "If I give a small salary which isn't proportionate to the qualifications of my employee, or if there's a difference in salaries here—say he gets fifteen hundred here while he may get two thousand there, even though it's similar job—it'll be a problem for him. Either he will leave or his performance will be low which in turn affects the quality of service we can offer to our customers. But when he's comfortable in his work, his performance will be scrupulous and good." (Jaber)

The pursuit of efficiency in employment is another reason for the exchange of information about salaries. The average of the salaries in the market must be taken into account because if a hotel offers lower salaries this will attract the least qualified people.

> "If I offer lower salaries I'm guaranteed to get the least qualified labour. I won't be getting the same quality of service as is given by the staff of other hotels, so I must know the average and the only way to know the average is to exchange the salary survey." (Hani)

Turnover

When hotels face a turnover problem, they need to conduct a salary survey to find out whether salaries are the reason behind this problem or not.

> "If I face a turnover problem I need to conduct a salary survey to see if that's the problem." (Jaber)

Sometimes hotels do not wait until this problem occurs. When they notice any indication that they may face too high a rate of turnover, they conduct a salary survey. This participant pointed out that they were worried about turnover because the volume of work which receptionists have to do is huge compared to other hotels, while the salaries

are the same. Therefore, they conducted a study and based on the results it generated,

they increased the salaries to avoid facing a turnover problem in the future.

> "Occupancy at our hotel is three times that of [a named hotel]. Reception
> employees sometimes have to check in or check out three hundred rooms at the
> same time. The problem here is that this employee may think that [a named
> hotel] gives the same salary for less work. We looked into this issue even though
> we weren't yet facing any problem with turnover. Based on this study, we
> decided to increase receptionist salaries by twenty-five percent because the
> employees work more and also to avoid their leaving us for other hotels. We
> were worried that a receptionist may think we're not paying him enough for too
> much work compared to other hotels, so we increased salaries by twenty to thirty
> percent for reception employees." (Jaber)

- **Reference**

The second of the three employment-related knowledge sharing practices has to do with

sharing information about employees. One of the common cooperative practices at

hotels is the reference system, where a simple investigation is conducted about

applicants before they decide to hire them. This investigation includes collecting

information about these applicants from the places at which they used to work.

> "[There are] many aspects of cooperation. Let's say X is working at your hotel
> and applies to work at my hotel and applies to work at his hotel. We discuss why
> he wants to leave the job in the first place, what his position is...etc." (Ahmed)

> "Say that an employee left my hotel and applies at another hotel. Managers there
> may call me to ask about him." (Basem)

According to this participant, conducting an investigation about applicants for jobs by

contacting their bosses where they used to work and asking for information is one of the

common rules in business.

> "Business rules in such cases suggest that as I know this person was working at
> [a named hotel], I need to contact the managers there and tell them that I have an
> applicant here and he used to work at your hotel, and now he is applying to work
> at our hotel. They may say he was good or may say whatever." (Helmi)

Swapping information among hotels about applicants is more important than the interviews for some hotel managers.

> "A reference is more useful to us than the interview is." (Ehsan)

This is because interviews may not reflect the truth of the applicants, according to this participant.

> "When you interview an applicant he tries to be professional during the interview, but he may not be so professional when he works. During the interview, he is professional; he is polite, smart, and understands everything. After he gets the job, his problems start to appear. He has a temper and other weaknesses." (Ehsan)

The managers usually are the ones who notice both the strengths and weaknesses of their employees. Therefore, hotel managers ask other managers who used to work with the applicants because they have experience with them and have an insight into evaluating them.

> "People who worked with him are able to evaluate him and help you to take your decision whether to employ him or not." (Ehsan)

This participant emphasised the same point. His decision to employ applicants is influenced by the evaluation of the applicants during the last five years, which they can have from their previous jobs.

> "When an applicant comes to me from another hotel I ask them to send his PDR, his evaluation, how this applicant was during the last five years when he was working at your hotel. How was his performance? After that I make my decision to employ him or not." (Saher)

Based on this, human resource managers at different hotels are encouraged to have relationships with each other. They are more able than others to provide information

about applicants to each other because they have all their details from the minute they apply until they leave the hotel.

> "My job as a human resource manager requires that I make sure that he really worked there, and what his experience is, and his behaviour or any issues related to his working there […] I always communicate with human resource managers at other hotels, it's part of our job." (Jaber)

Although human resource managers swap information about applicants because they know more about them and are the ones responsible for hiring them, this does not prevent department heads from doing the same. When applicants want a job at a certain hotel they do not only have the job based on the human resource mangers' recommendation, hotels need to take into account the opinions of the department heads. Department heads at different hotels contact each other to obtain the details they need to make the decision as to whether to accept or reject the applicants.

> "When someone applies to work at my department, I automatically call the food and beverage manager at the hotel where he used to work and ask about him. It's like a reference. You know what I mean. I ask about his performance, did he cause problems, what is his experience?" (Ehsan)

This quotation illustrates how hotel managers exchange small details about applicants and discuss them with each other before they make a decision to accept or reject them. They take into consideration the specific details related to the nature of the work. The hotel manager pointed out that because the offered job is for a receptionist who needs to deal with money, hotel managers are concerned more about honesty than other things. When they contact each other to exchange information about the applicant they need information regarding this particular issue.

> "I told him he was honest and everything was good about him except one thing. He often comes late in the morning. He said, 'Ok, this isn't a big deal, I can deal with this since he is honest. I can deal with everything but not with dishonesty,

because the employee will be in the reception and will have to deal with cash'. Does that make sense?" (Basem)

This hotel manager rejected an applicant because he heard that this applicant had a temper and always created trouble with guests when he used to work at another hotel. This decision was taken after a conversation between this hotel manager and the former manager of the applicant, the one who provided this information about the applicants.

> "I called his manager asking how this applicant was when he worked for him. 'Oh no, be careful,' he said, 'he used to cause trouble with guests'. So I didn't hire him." (Basem)

- **Employment dismissal**

This section introduces the third of the three employment-related knowledge sharing practices among competing five star hotels. Hotels sometimes need to terminate their employees' service for one reason or another. Hotels, however, cannot end unwanted employees' contracts without cause. They need to dismiss them fairly and find a proper way to end their service, both because of labour and employment laws, and because they would not want to gain a reputation for unfair dismissals. Hotels offer and market their unwanted employees to each other in the hope that other hotels may need and employ them. Due to the sensitivity of this issue it was only mentioned by one particular manager.

Sometimes, employees reach a certain stage where they deserve to be promoted but there are no available positions suitable for them at their hotels. Therefore, hotels try to end their service because they cannot offer them the promotions they deserve. Accordingly, hotels pass their details on to others who may have available positions for them.

> "An employee already finished five years of working at my hotel. He has reached the point where he deserves a promotion. But I don't have any available positions like that now. In cases like these, I call [a named human recourse manager] and say that I have an excellent employee but he needs to be promoted and I cannot promote him any higher. Do you need him? At the same time, [a named human recourse manager] calls me to ask about available positions at my hotel." (Saher)

According to this participant, it is not only about being unfair to keep the employees without giving them positions they deserve, but also because their performance will go down as a result of being unsatisfied. When employees reach a stage in their career where they deserve to be promoted and cannot gain it, they start to feel unhappy and dissatisfied, which affects their performance. Hotels are well-aware of this situation and try to avoid it by helping them sign contracts with other hotels which have the positions which suit them.

> "He has started to feel unsatisfied with his position at my hotel, but I don't have a better job for him. I won't keep him, he won't give me good work. In this case I won't lose him but will help him to get a better job at one of the other hotels. Don't think by this I'll be helping him for nothing and lose my employee—of course not. But I'll do this because I am certain he won't give me the performance I need from him because he isn't happy and I cannot fire him. Which is better, to give him a bad time everyday because I'm not satisfied with his performance, or to end his service by helping to find the position he deserves? Of course, sending him to other hotels and finding a proper employee to replace him to get the performance that I want. Performance is intimately connected to satisfaction." (Saher)

Saving hotels' money is another reason for employment dismissal. Sometimes, an employee may have worked for the same hotel for a significant period of time, their salary increasing annually due to employment laws. However, as business organisations, hotels come to think that paying more for the same level of service is just bad practice.

> "This employee reaches a high position and gains a high salary for nothing. I don't say to him that he's bad or that I don't want him or anything like that, but I can deal with it…" (Saher)

Moreover, the employees who work for long periods of time will deserve a significant termination bonus from the hotel when they reach certain stage. This participant used the word 'aging' to explain this situation where employees get old not only in terms of age but also in terms of their salaries and termination bonuses.

> "There is something called 'aging' this happens when an employee works for a long time in the company. His termination bonus becomes very high. Even his salary reaches the maximum." (Saher)

According to this participant, hotels are not happy to pay high salaries and award high termination bonuses because they believe that when employees realise that their salaries have reached their maximum level, they will lose motivation to be creative and their performance will go down. Due to this fact, hotels will attempt to dismiss such employees if there is the fear their maxed pay will begin to affect their performance.

> "His performance goes down and I know why: because his salary is the maximum and he'll never get a raise. In this case, I do not keep him."(Saher)

Additionally, hotels believe they can pay less to have the same work done.

> "I can promote the employee who occupied a lower position and increase his salary a little and he will do the job for me." (Saher)

Although hotels are aware of the possible loss in terms of finance and performance which can result from keeping these unwanted employees, they cannot fire them simply on account of these reasons due to labour and employment law, and again for the reason of avoiding a bad reputation as unfair employers. Considering this encourages hotels to exchange unwanted employees' details among them hoping to find someone who needs them, in order for them to be able to dismiss them fairly.

> "I cannot fire him but I'll try to move him to another hotel." (Saher)

144

To conclude, five star hotels share their employment related knowledge in three practices. First, they share their knowledge to determine employees' salaries based on the average salaries in the market. This is due to the fact that they want to keep their employees satisfied in order to retain them and to dissuade them from accepting competitors' offer. Second, hotels share knowledge in the form of references for applicants applying between hotels. Third, hotels swap details with each other related to unwanted employees. When hotels want to dismiss unwanted employees fairly for any reason, they market them by passing on their details to each other who may have available positions for them.

4.2.1.5 Determining market position

The fifth and final knowledge sharing practice that occurs amongst hotels concerns how hotels determine their position in the market based on the information they exchange among themselves. Hotels frequently exchange information about average room rate and occupancy.

> "We send each other some information about occupancy and average room rates." (Majed)

> "We exchange information, such as, occupancy and the average room rate." (Rami)

They exchange this information in a form of a report, known as a "competition report" (Bandar), and is done on a daily basis.

> "We exchange information every day such as how many rooms are taken, what the average room rate is, and what the occupancy percentage is." (Bandar)

> "Every day we take the occupancy and the average room rates from them and they take them from us." (Majed)

This exchange takes place in the early morning every day.

> "This report exchange starts every day before eight o'clock in the morning." (Bandar)

The reason for this early exchange is that the report needs to be discussed in the daily briefing which takes place among hotel department heads. Among the issues discussed in such meetings is the information included in the competition report. Thus, this report needs to be on the discussion table before the meeting starts. Based on this, they compare their situation with that of their competitors', which enables them to evaluate their situation. The following participant gave an example of what may happens in one of the meetings based on the competition report. When they compare the situations and find a hotel with, for example, a higher occupancy percentage, they need to find out whether there is something they can do to improve, or whether this hotel has some advantage they do not have. The information included in the competition report is an indication of transpires inside the competing hotels.

> "We use the competition report in our daily briefings with the departments' heads. We discuss the market. We discuss what's going on with other hotels such as, why the occupancy percentage at [a named hotel] is higher? What's the reason for this?" (Bandar)

Hotels exchange this information through phone calls mainly.

> "We exchange this information every morning. We call other hotels and ask them 'what's your average rate for today?' 'What is your occupancy?" (Mansor)

The mutual information about the average room rate and occupancy percentage helps hotels to determine the market share. The market share is the percentage of sales in the

market that organizations gain in a particular period and particular geographical area (Cooper and Nakanishi, 1993).

> "From the occupancy percentage and average room rate I am able to discern the market share." (Rami)

Knowing the market share is the way by which hotels determine their position among others in the market. The use of phrases such as 'at the top', 'at the bottom' and 'in the middle' in the following quotation shows that the position of a hotel is determined by its rank among hotels. Hotels are anxious to know their rank among hotels as it is part of their competition to be at the top. Cooperation among hotels to exchange this information is to help them to know their rank and others' ranks involved in the competition.

> "You need the occupancy and the average room rate to know what your position is and what your place is between the hotels around you, if you're at the top or at the bottom or in the middle." (Hani)

> "[Knowing this information] is useful in work for sure. I get the report every day to see what our position is. How much money are we gaining compared to our neighbours? How many rooms have we booked for the night?" (Mansor)

Hotels use market share to determine their competitive strength in the market compared to other hotels in the same market. That is why they need "to know each and everyone's position in the market "(Naser) and not only their own positions.

Hotels cannot determine their competitive strength in isolation from competitors. By measuring their market share, a hotel can see if it is doing better or worse compared to others that are facing the same challenges and opportunities they are.

> "For me as sales and marketing manager, I care more about how many rooms are occupied and how many are vacant. Hotels around me are empty! Why I am full and they empty? Or, alternatively I might face the opposite situation and ask 'all

hotels around me are one hundred percent occupied, why I am empty?'! This determines our position for the day, and over the months and year." (Mansor)

Comparison is the approach that hotels use to determine their position in the market. They may be able to determine their own profitability because their sales figures are already available for them but they will not be able to determine their position in the market unless they know about others. Thus, hotels cooperate to exchange the needed information in order to determine their positions.

> "The occupancy percentage is low! Are we the only one whose occupancy percentage is low, or it is the case with everybody? It gives you an idea about the market. It is important to know whether the average room occupancy is high or low by comparing it to others." (Helmi)

The following participant made the same point: comparison is the hotels' way of evaluating their work. Success is relative, so even when business is good – evidenced by, for example, a high occupancy percentage – management are not satisfied if other hotels are doing better, as they feel they are losing out. However, if all involved in the market are showing low occupancy rates, the perception among the hotels is that they are facing a common problem that is stymieing business across the industry. While in the former case the situation is construed as indicating a problem within a particular hotel, the latter is seen as an industry-wide challenge that requires a concerted and well-coordinated response, such as surveys or investigations to discover the issues affecting the market as well as resolutions for them.

> "Look, anyone who works in room division department will be upset if his hotel is empty and hotels around him are full. This means there is something wrong with the way he is running the hotel. Either the sales [department] is weak and they don't know how to get business, or there is a problem with the service. In such a case, I need to find out what the reason is [...] Imagine, in the season of the Birth of the Prophet all the other hotels are one hundred percent full and I am eighty percent full. Do you think I will be happy with this eighty percent? Of course not." (Basem)

Knowing the position in the market is not, however, the primary purpose in exchanging the competition report among competing hotels. It is something needed to be done in order to determine any possible weaknesses and the ways to deal with them. Hotels do this mainly to improve their service, which enables them to be on par with their competition. The following participant explained that the details about average room rates and occupancy percentages are not merely figures and numbers. They can be translated into useful knowledge, which helps them to evaluate their position in the market. Accordingly, they will be able to determine the level of the service. From the level of their service compared to that offered in other hotels, they can interpret the quality of work afforded by their employees. Accordingly, the survey can also be used as a tool to discover where they need to improve. The purpose of such research is to offer clients a good service which enables hotels to compete with one another and gain more clients.

> "I am the mirror of the hotel. I can show the hotel's managers their position in the market after I analyze the data that I get from the competition report. I can see the result of their work in a form of figures and numbers. What is your achievement? How much have you sold? What is the average rate? Are you equal to others in the market? Is the average rate suitable to the market? If so, then this is good. If not, then why? Is our service lower than others who surround us? Or is it at the same level? If our service is at the same level we should have similar average rates. Do you think they are merely figures and numbers? They are much much more than this. What I mean is that from these numbers and figures we can reveal to all employees our position in the market and show them where they need to improve in order to provide better service so that they can compete." (Hani)

In conclusion, competing hotels exchange daily details about average room rates and occupancy percentages. These details help them to evaluate their position in the market compared to their competitors. Hotels employ such comparisons as a valuable approach

to evaluate their work and their level of service. Accordingly, from the level of the service they provide, hotels can obtain insight into the level of performance exhibited by their employees. Discovering all of these elements enables five star hotels to ascertain their weaknesses and determine what needs be done to improve on them, in order better to compete with others and to gain and retain more clients.

4.2.2 Non-knowledge-based cooperative practice

In the previous section five cooperative practices which take place among competing five star are discussed. These five practices are knowledge-based: problem solving, sharing creative ideas and practices, price determination and finance-related issues, determining salaries and employment-related issues, and determining market position. In this section the sixth practice will be discussed. This practice is different than the other five practices reported previously in that it is not a practice based on knowledge, though it is important as it strengthens ties and generalizes reciprocity among five star hotels. Furthermore, the presentation of this practice reveals valuable insight as it helps to emphasise the issue of informal relationships and cooperation amongst five star hotels.

4.2.2.1 Referring clients

One of the common cooperative practices among five star hotels is referring clients to each other. From time to time, hotels have to refer some of their customers to each other. This usually happens when hotels are fully booked and there are no vacancies.

> "If I am, for example, full, and a company called me asking for one or two rooms, the conversation might go like this:
>
> 'Sorry, I am fully booked for that period.'
>
> — 'Ok, can you find me somewhere else that is available?'
>
> 'Ok.' And I pick up the phone.
>
> 'Hi Tariq [a hypothetical person]. There is a company asking me for two rooms, do you have any vacancy?'

—'Not really, sorry Hisham [a hypothetical person], I am full but maybe Alaa [a hypothetical person] has vacant rooms in his hotel—try giving him a call.'

'Alaa [a hypothetical person], do you have any vacancy?'

—'Yes, I do.'

'Great, I'll send a customer to you. Please make arrangements with him directly.'

So you see what I mean, we help each other. The thing is, he knows that if he has any problem with rooms, he can call me and I'll help him. And if I don't have rooms, I will suggest another hotel." (Basem)

"In our industry there is something called 'over booking'. This happens when hotels are fully booked and I still receive reservations that I need to deal with. In this case, I refer customers to other hotels." (Mansor)

It is common practice among hotels to refer clients to each other. This usually occurs during the high demand seasons.

"This only happens in high seasons, such as Ramadan [Islamic holy month], the Birth of the Prophet, and [the rituals of] Umrah. Everywhere is crowded at these times. I want to tell you something, when the city is full, everywhere is full. When it is empty, everywhere is empty. When it is half full, everywhere is half full." (Deiab)

"This takes place during the high seasons. During high seasons things like this [referring customers to one another] may happen." (Fareed)

This type of cooperation takes place among hotels informally and in a friendly manner.

"This is one of the things that happens among hotels in friendly way. I mean, we have friendly relationship among us." (Saher)

Retaining the customers

The reason for referring customers among hotels is that hotels need to retain their clientele. They believe that referring customers to other hotels when they are fully booked is considered a service which will threaten customer loyalty even if they happen to be booked. Customers will be pleased when hotels treat them well by making bookings or recommendations for them in other hotels.

"I am stuck because I am over booked. Therefore I have to turn customers away!. The solution here is to refer them to other hotels. If you just turn a customer away you'll lose him." (Deiab)

"For example, today a regular customer wanted to book a room at my hotel. He often stays at my hotel. But today I had no availability and there was no way to tell him, 'Sorry there are no vacancies and that's it.' I contacted my friends at other hotels to find a room for him. By this service I will be able to keep him." (Naji)

Although the following manager does not offer this service to his customers, he believes that referring customers to other hotels would attract and retain them.

"Sometimes I cooperate with the competing hotels when I am over-booked. I used to refer customers to other hotels. But now because of the pressure of work I do not have time to offer this, even though I think it is a nice touch. Imagine that a guest comes to you after a long journey and he is very exhausted, and you don't have a room but you help him to find a room at another hotel. He will come back to you next time because you helped him." (Bandar)

Maintaining good relations

Not only does retaining the loyalty of customers encourage hotels to refer their customers to other hotels, maintaining good relations among hotels does so as well.

"[A named manager] called me few months ago. He said, 'Hi, please—I have a regular customer and I need a room at your hotels because I do not have any vacancies and I don't want to lose my customer.' 'Yes,' I said, 'I have a room.' 'How much is it?' 'It is five hundred Saudi Riyals.' 'Can you offer him a discount?' 'Yes, I can.' This customer is [a named manager]'s not mine, but [a named manager] is a neighbour and friend. The customer came to me and I served him because of my friendship with [a named manager]. I gave him the room for lower price. I could say sorry to [a named manager], but I wanted to maintain our relationship." (Basem)

The following is an example from one of the biggest hotels, and it does not need to refer its guests to other hotels. However, it cooperates with other hotels when they refer customers to it, out of belief in having good relationships among competitors.

"We are a big hotel and all hotels refer customers when they are fully booked to us. We never refer customers to any hotel because we are huge. For us there is no

benefit from this cooperation—only maintaining relations with competitors is our benefit." (Bandar)

Five star hotels want to maintain good relationship amongst themselves because it is through these relationships that they can ask for assistance in their own difficult circumstances.

> "My good relationships with other hotels should be sustained. If I call [a named hotel] and explain to them that a company wants to book rooms at our hotel while we do not have vacancies, they provide us with the rooms we need. In the future, they will come to me if they are faced with a similar situation." (Saher)

> "I have to have good relations with other hotels, particularly with fellow hotel managers because we need each other sometimes. Say that you have a group who are staying in your hotel and for some reason they can't check out on a certain day. On the same day, another group comes. I can't ask them to leave. In such a case, I'll contact my friends at other hotels to look for rooms to accommodate the group." (Naji)

To conclude, this final cooperative practice demonstrated between five star hotels involves referring clients between themselves when they are fully booked. They do this for two main reasons: first, to retain their customer relations and not to lose the loyalty they have already worked to achieve; second, to maintain good relationships with each other as these relationships facilitate work among them and lead to mutual benefit.

4.3 Informal association

This section explains the formation of informal association amongst five star hotels. It first presents the differences between formal and informal associations, and then goes on to describe how the association of five star hotels falls into the later type.

The use of the phrase 'member of the group' by the following participant, reveals the existence of some form of specific association among five star hotels. Furthermore, knowledge sharing takes place among the members of this association.

153

> "For example, we hold meetings. In these meetings, each member of the group may bring a new idea. I may apply it, or he may apply it, or another hotel may apply it." (Morad).

This association among five star hotels can be described as informal as there is no written agreement among members of this association.

> "Basically the communication is friendly, nothing's formal." (Mosleh)

> "They are informal, without papers and pens." (Majed)

The same point is brought up by another participant who explained that informal communication is the primary channel through which they share knowledge related to their work.

> "We discuss any concerns we have relating to our work. Not only concerns about our hotels, but more than this. We discuss the market situation, visa conditions. We discuss any problems we might be having. But this isn't done in any formal capacity." (Rami)

Despite the fact that relationships and communications among the members of the association are informal, they have features which make them similar to the formal ones. As an illustration, although meetings among five star hotels are held informally, they are held for specific purposes and they include certain agendas to be discussed. This means individuals go to these meeting prepared to talk about certain points.

> "In some meetings we determine the points which we are going to discuss beforehand, and sometimes we leave it open because of time. We want to be relaxed." (Morad)

> "If we have a meeting we prepare our agenda for it but everything happens informally." (Jaber)

A relaxing atmosphere is one of the advantages of such informal communication among members of the association, according to one of the participants. This relaxing atmosphere is one of the differences between formal and informal communications. For him, having discussion among members of the association 'without papers and pens' is more comfortable, and helps to get rid of the pressures usually caused by a formal working or meeting environment.

> "They are informal, without papers and pens." (Majed)

Other participants used different expressions to convey the same idea.

> "We drink tea together and share information." (Amjad)

> "We meet and gather in a friendly atmosphere." (Hani)

The informal communications are similar to the formal ones in terms of organisation. Being informal does not mean they are disorganised, according to this participant, but simply that they are organised in a different way than formal meetings.

> "They are run in a friendly manner, but there will be some method of organisation to them." (Morad)

The time and place of the meeting are decided, and then all members are informed by any means, such as email or telephone.

> "Members are informed that the meeting will be held at one of the managers' house or hotel on some particular day." (Hani)

Another advantage of informal communication, which encourages members of the association of five star hotels to communicate, is that such an arrangement is easier compared to formal meetings in terms of procedures. As an illustration, formal

communication may require going back to the main company or to the owners of the hotels and asking for permission to hold certain meetings on behalf of the company. This may require a number of formal emails and letters. This may put managers off because it involves a lot of administrative work. On the other hand, informal communication does not involve such procedures; they can be arranged much more easily.

> "I communicate with them through phone informally because if it were formal, no one would do it." (Majed)

This section has shown that five star hotels form an informal association without written agreement. Although the interaction and communication are informal among the members in the style of the meeting and their planning and structure, they are similar to the formal ones in respect of being organised for a certain purpose and including a certain agenda to be discussed. Accordingly, such informal communication encourages the members of the association to prefer this type of interaction.

4.3.1 Membership

Although the established association of five star hotels are informal, their membership is restricted based on two factors: hotel star rating and competition. This section will discuss and explain these factors in detail.

4.3.1.1 Hotel star rating

Star rating is the classification acquired by a hotel based on certain features relating to its service and offerings. Hotel star rating plays a role in forming relationships among five star hotels as it encourages them to communicate with each other. The use of the word 'only' in the following statement shows that knowledge sharing is restricted to members who have a similar star rating.

> "I only take information from hotels which have a similar star rating as mine, they share the same market" (Mohi)

Another participant emphasised the same point by mentioning specific names of hotels as examples of those with which he has relationships. All of these hotels have something in common, their star rating.

> "[A named hotel], [a named hotel], [a named hotel], and [a named hotel]. Cooperation happens between this type of hotels." (Ehsan)

The tendency of five star hotels to have communication with each other can be explained by the fact that they are all involved in one particular market.

> "Because of the market we share, I talk with five star hotels only. It's not right to say you're a five star hotel and you talk with four or three star hotels, they're an entirely different market." (Mansor)

It is the differences and similarities which constitute and demarcate different markets. Sharing one market means having a similar range of prices, similar service standards, similar clients with similar needs, and similar concerns as a business. These common concerns and operations are what encourage five star hotels to communicate with each other, as expressed by this participant.

> "You talk with people who are involved in your market because of being part of the same type of hotel, having similar clients, similar prices." (Masor)

Clients are varied according to the star rating of the hotels. Similarity in the types of clients a hotel attracts means similarity in the concerns and issues related to clients. In the following quotation, the participant attempts to explain this by giving examples of two different types of clients. The first type prefers to stay at five star hotels, while the second type prefers to stay at three star hotels.

> "The clients of [a named hotel], or [a named hotel] are different than the clients of [a named hotel]. Each client has their preference." (Khalel)

> "I only really look to hotels which serve the same type of clients that I serve." (Hani)

Because they target similar types of clients, five star hotels may use similar strategies to attract them. This sales and marketing manager pointed out that the difference in strategies explains their tendency to have relationships with certain hotels. He gave an example of one of the hotels with a different star rating to explain the factors behind the star rating which reflect similarity or diversity among hotels. Such common concerns are what encourage them to form their own association.

> "In the competition report you won't find the market share of [a named hotel] because its strategy and policy are different than ours. We deal with walk-in guests while it deals with groups and does not deal with individual guests. It does not use advertisements to attract clients while we do. It targets organizations or governments while we target different clients. The two strategies are different." (Mansor)

Similar average room prices leads to common concerns and issues among five star hotels, which encourages financial managers to communicate.

> "We talk about the prices: 'Why are this year's prices so high?', 'Why is your price for that type of room so high?' – 'My price is high to achieve a certain budget.'…Conversations like that!" (Naser)

This financial manager exchanges information with five star hotel mangers because he builds his work on this information. He is not motivated to exchange information with different star hotel managers because they will not benefit him doing his work. Accordingly, he has relationships and communication only with five star hotel managers.

"The idea is not simply that I'm five star [hotel] and I want to exchange with five star hotels. No! But three star hotels, for example, have different goals and results. If I exchange details with them and build my work on them I will be heading in the wrong direction and, vice versa, they will not make use of the information they get from me." (Ashraf)

According to the following participant, the standards of products and materials used in hotels is one of the concerns and issues which are discussed among five star hotels.

"I communicate with managers in five star hotels because the services we operate are so similar. Hotels with different ratings have different levels of service, so the way they think about things is different from us. I mean, for example, I have certain standards for the products I buy or the materials I use to offer my service. These standards are different than the ones in three star hotels. The difference in standards makes it difficult to share our ideas and thoughts." (Hani)

The absence of common standards for this participant discourages him from having communication and sharing knowledge with hotels of different classifications.

"We don't exchange experience with them because their standards are different." (Naser)

Hotels need to identify the average salaries in the market before they determine their employees' salaries as discussed earlier. To identify the average salaries in the market, sharing knowledge among the human resource managers responsible for this is required because it enables them to compare their salaries with those at other hotels. The use of the word 'market' in the following statement refers to five star hotels.

"When I employ people I need to take into consideration the average of salaries of the market." (Hani)

It is therefore important for hotels to maintain relationships with each other, in order to gain the information they need.

"Cooperation and sharing information with them gives benefits to everybody involved. Everybody will know what's going on in the market, like the average

salaries. When I know that [a named hotel] gives the waiter nine hundred and [a named hotel] gives nine hundred as well I cannot go below this average." (Jaber)

Similar technology and equipment affect relationships and communications among five star hotels. Chief engineers at five star hotels select each other for knowledge sharing purposes based on the hotels' technology and equipment. As hotels offer different service levels—based on their clients' needs and, accordingly, their star rating—which require familiarity with different facilities, there is a tendency for those proficient in such technology to join together for collaboration. This chief engineer stated that he prefers to have relationships with engineers who work at similar star rating hotels as they deal with the same type of resources as those employed for service at his hotel.

> "This happens between me and other five star hotel chief engineers because the system they use there is similar to the one here." (Maen)

Based on this, he exchanges knowledge and expertise with them particularly in the form of consulting each other to solve problems related to this technology and equipment.

> "We can be helpful to each other because of our knowledge. One of them might ask me about a work problem they're having, or I may ask them about the issues I run into here." (Maen)

Chief engineers are aware of the role of experience in solving complicated problems, particularly technical problems. They therefore seek out collaborative relationships with those who have dealt with such technology in the past, and who are in the position to share knowledge based on a similar working environment and similar aims.

> "Sometimes, we face very complicated problems. We call them 'malicious problems' [...] only experience can solve them [...] so we discuss it with engineers in other hotels. I may discuss complicated problems with other engineers in other companies because this discussion provides you with new ideas or new solutions which you may never have thought of before." (Tamem)

The same idea is brought up by another chief engineer. He explained that communication takes place between five star hotel engineers primarily because they are exposed to the same equipment, which means they have some experience and knowledge relevant to them. Thus they share this knowledge because they will make use of it.

> "Most of the time we communicate with other five star hotels because they have the same level of service as we do. They have similar equipment and amenities which require them to give certain levels of service, while different star rating hotels think it's not necessary to have them because they want to save money."(Tamem)

Chief engineers cannot help each other to implement a certain system or teach each other to use a new system unless they have a good understanding and some direct experience of it. Therefore, when chief engineers want to share their knowledge to solve certain problems they look for those who deal with similar technology and equipment and start discussing their problems with them to find out if a successful solution is known.

> "Nothing formal, it's just sharing our collective knowledge. I tell them about problems that I faced and the approaches I used to solve them. They tell me about problems that they faced and how they solved them. Sometimes, the problems we face involve how to implement systems, or deciding the best way of using a system." (Mosleh)

To sum up, maintaining a similar star rating encourages five star hotels to communicate with each other due to the fact that they are working in one particular market. Having similar issues and concerns related to prices, services, and clients—and the facilities required to support them—leads to a collaborative relationship based on the mutual benefit gained from sharing knowledge.

4.3.1.2 Competition

Another factor linked to hotel star rating in the communication entered into amongst hotels is competition. This section will discuss the role of competition in knowledge sharing practices and establish the link between hotel star rating and competition.

Competition among hotels exists because they are involved in one business industry: hotels compete for gaining the same business.

> "Since there is business, there is a competition." (Ahmed)

The same idea is confirmed by another participant. The example of a client who keeps staying in a particular hotel, which leads the other hotel to search for the reason for such loyalty, shows that hotels compare their business to each other. From this comparison stems competition.

> "If there are two very similar hotels and there is a client who always stays in one of them not at the other, the other must ask itself 'why'?" (Maen)

The logic behind the competition according to this hotel manager is that each guest can only stay at one hotel, so hotels compete for each piece of business represented by individual guests.

> "We all compete for the same business, right? It's natural." (Naji)

Hotel managers understand competition in different ways.

> "What is competition? Competition has more than one meaning." (Hani)

This variation in conceptions of competition can be seen in the use of question 'how' in the following quotation.

"There is a competition among us in that each hotel wants to gain the largest number of visitors. But the question is, how?" (Maen)

Hotels differentiate between two types of competition. One type is related to hotels' features. In other words, they compete using their own features without harming competitors.

"There is a competition which is competing to be distinguished, or to offer something distinguished—something more or better than what the others offer." (Hani)

According to this participant, competition may take place among hotels but it does not necessary imply conflict. This can be read to reveal that there is possibility to be in another type of competition, which implies conflict.

"We probably compete but without conflict." (Ehsan)

This other type of competition which implies conflict relies mainly on harming the competitors. That is to say, hotels fight each other to gain business.

"And there is a competition—we fight each other." (Hani)

Competition is linked to hotel star rating which was discussed in the previous section as one factor which stimulates hotels to have relationships and to communicate. This link comes from the fact that one of the rules in the hotel industry is that competition requires equality as its basis. They calculate equality by the hotel star rating. If they are not equal, there will be no base for the competition. If there is no base for the competition, they cannot compete.

"It is impossible for me to compete with hotels of different star ratings, like those with lower prices, because every time I'll win." (Amjad)

> "When I want to compete, I have to compete with someone who does similar work." (Aiman)

> "My relationships for work purposes are limited to hotels which are on the same level as us because they're the ones considered competitors." (Aiman)

This participant tried to explain this idea by using the metaphor of a game. Players of the game compete to win, but need to have some sort of equality in order to be able to compete with each other; they need to be on the same playing field.

> "It's like a square and inside this square there are different playgrounds. Each playground has its players. I play with these players in the five star playground because we have similar services and prices." (Mohi)

This competition among five star hotels motivates them to have relationships and communicate with each other. They communicate in order to share their knowledge which enables them to compete against each other. For this participant, sharing knowledge with competitors is important as it helps them to run their business.

> "Many relationships connect me with hotel managers. We talk from time to time. We meet up, we swap views, and we share information. It's very important to have relationships with them. They are all at five star hotels. They are our competitors. It's important to have relationships with competitors for many reasons, the most important being that we always swap information for the benefit of the hotel. Communicating with them is beneficial for our hotel." (Aiman)

The same idea is brought up by another participant who linked communication with competition. For him, having a similar rating encourages hotels to communicate because that rating identifies them as competitors. On the other hand, different ratings mean they are not competitors and this discourages them from communicating.

> "I communicate with my competitors only, such as [a named hotel], [a named hotel], and [a named hotel]. They are my competitors; they have the same star rating. The other hotels have a different star rating such as [a named hotel] and [a named hotel]—I do not communicate with them because they're not my

competitors. I cannot compare myself with them. If you know their average room rate, you will understand why I do not communicate with them and do not compare myself to them. They are not the ones I compete against." (Eiad)

It is important for this human resource manager to know what is going on in competing hotels regarding employees. Therefore, he has relationships with them in order to gain an access to this information. As discussed earlier, hotels spend a lot of money and effort to train their employees and, accordingly, they offer competitive salaries and benefits to retain them and prevent their movement to other hotels. They are aware of that the competition between hotels extends not only to attracting and retaining guests but also in attracting and retaining employees. Competing hotels try to attract the most experienced and skilful employees. According to this human resource manager, communicating with competing hotels is his approach to gain an access to the information needed to secure his employees.

> "If an employee here considers moving to another hotel where do you think he goes? He won't go to different star rating hotels. Therefore, I am very careful to keep my relationships and communication with hotels in my star rating. Employees are very selective when they want to leave the hotel and work at other hotels. They will go to similar star rating hotels, but they won't go down to a different rating, trust me!" (Jaber)

Because five star hotels are competitors, even when they share knowledge they do so with their own benefit in mind. According to this participant, hotels consider cooperation their access to competitors. Through cooperating with competitors they will be able to find out about successful ideas and practices at other hotels to transfer them to their hotels. He explained his philosophy by stating that communication with competitors provides him with an access to other hotels which grants him insight into their service level. As he always looks for the top, he will not be happy if he finds out that they are better or at the same level. Accordingly, he will try to do something to be

165

better than them. It is vital for hotels to know about competitors' positions in order to evaluate their own positions.

> "Cooperation results in competition, but competition never results in cooperation. These are my own theories I work with. When I cooperate with you, talk to you, communicate with you, I know about you. This leads to competition because when I know about you I want to be at your level if you are higher than me, or, if we are at the same level, I want to be better than you. But if I don't cooperate with you how would I know your level to compete with you?" (Khalel)

> "I cooperate in everything but when it comes to a certain field I cooperate and take your ideas and improve them." (Fareed)

This competition is believed to be positive because it leads to improvements in service.

> "I try to be better than you and you try to be better than me. So cooperation implies competition. This makes the services we give to the guests better; when we compete, we compete over offering the best services." (Fareed)

In conclusion, competition encourages competing five star hotels to have relationships and interaction with each other as such provide them with information as to their strategies and goings on. This information serves not only to gain ideas for improvement, but also to determine who their competitors really are, and their rankings in relation to one another.

4.3.2 Channels of communication

The data reveals that communication among five star hotels takes place through informal social interactions based on the individuals' background. To demonstrate such a phenomenon, this section identifies different groups of hotel managers which are formed based on the common concerns and issues among them. Hotel managers communicate with each other based on their common background.

This room division manager prefers to have contact with individuals who carry a similar title because they have common concerns and issues which are the reasons for their communication. He does not communicate with those who perform different tasks because, according to him, there is no point of communicating with them.

> "I speak with those who have the same title as mine, room division directors, because there are common factors between us, our thought, the same work field and speciality…but I don't speak with financial controllers, for example. There is no common language among us. The financial controller at our hotel speaks with the financial controller at other hotels, they speak about how they write their reports, I imagine; I don't know exactly what they speak about." (Basem)

The same idea is emphasised by these two financial managers. They mentioned that the similar nature of their work encourages financial managers to get together.

> "Each type of manager tries to have relationships and communicate with similar managers, for example general managers have communication with general managers, financial [managers] have regular meetings in which we discuss issues and problems like what should we do if we face companies which do not pay... conversations like this." (Eiad)

> "I communicate with financial managers based on the fact that the nature of our work is similar, we have similar needs and a similar market." (Hani)

Finance-related issues and concerns are reasons which encourage financial managers at five star hotels to form a group in which they can discuss their work-related issues and concerns informally, as discusses by this financial manager. He emphasised on that although this communication is not formal, follows the purpose of the work.

> "Financial managers have meetings, I mean managers such as those at [a named hotel] and [a named hotel] and [named hotel]. The atmosphere is very friendly, not formal. But we still discuss issues related to our work that will benefit us all."(Hani)

Such meetings take place regularly every month according to this financial manager.

> "We, I mean the financial [managers], have regular meetings. We get together once a month in one of the hotels." (Eiad)

Not only do meetings take place among them, they also call each other when there is an urgent need and they cannot wait until the meeting time.

> "If there is a problem or one of us needs a consultation we call each other. This doesn't happen on any regular basis, but the meetings do happen regularly." (Eiad)

The purpose of this regular meeting is to have the chance to speak and debate different issues related to their work. This participant used the expression 'not numbers' to emphasise that although they are financial managers, what they exchange is more than numerical information. He referred to the fact they share their point of views and experiences rather than simply reporting on numbers and figures.

> "There is a meeting for financial managers at five star hotels every month. A group of managers get together each month, to exchange monthly results and things like this. We pass on information but not numbers." (Eiad)

Another financial manager emphasised the same point. He stated that they meet to debate their work-related issues not in the form of 'numbers and figures' but in experiences and knowledge.

> "We sit and discuss the issues which may benefit all of us. But there are no numbers and figures exchanged in the meeting." (Hani)

Human resource managers also communicate with each other because they have similar backgrounds.

> "I have relationships with everybody, but when it comes to work I mainly communicate with HRs [human resource mangers] because we discuss work-related issues like references, salary scales, and benefits, and we discuss any new regulations issued by authorities." (Jaber)

At the same time they communicate with different types of managers in certain situations. This human resource manger mentioned that he communicates with certain other sorts of managers in certain situations based on work needs.

> "I speak with the food and beverage manager, the room division manager, and IT or any type of managers because sometimes human resource managers don't have enough details about certain parts of the job, so they refer me to others. For example, I spoke with IT in other hotels before I designed our new training program. I spoke with them because they are specialized in their work more than those in the human resource department. They can give me more useful information which helps me to design the training program and to know how many employees I need to do the tasks. I speak with human resource and I speak with other type of managers because they are in the heart of the situation they can give me more information sometimes." (Saher)

The following quotation shows another situation where it requires communication with different types of managers.

> "I communicate with different types of managers for reference. This happens when a human resource manger is new and does not have enough working-knowledge of the situation. In this case I speak with the direct boss but this rarely happens." (Saher)

They meet regularly and they call each other when they need to discuss something briefly.

> "We have regular meetings every few months with the human resource managers at other hotels." (Saher)

> "We used to meet monthly but now we meet quarterly and sometimes we discuss things on the phone." (Jaber)

This manager used the word 'group' to refer to certain known members which form a certain community based on their common concerns.

> "One of us invites the group. It's not formal, it's just sitting together and chatting rather than having a meeting." (Hani)

Similarly, chief engineers have their own social networking, according to these participants.

> "For me, all chief engineers at five star hotels are my friends and colleagues." (Maen)

> "They call me to ask what's new and I call them to ask what's new with them. They come to see our work, we go to see their work. I don't know how can I put this into words exactly, but it's like swapping ideas between each other." (Tamem)

Communication among chief engineers does not happen regularly or have a fixed time, but rather takes place based on the needs of those involved.

> "This happens when we need." (Tamem)

> "It's according to the need. We all know each other but there is nothing regular." (Maen)

To conclude, communications among competing five star hotels is carried out through informal social interactions based on their common background as members of the hotel's finance, human resources, or engineering departments. The purpose of having these communities based on a common background is to share knowledge of operations and problems in these areas, and find helpful strategies and solutions.

4.3.3 Means of interaction

This section identifies the means through which the informal social interactions are carried out. There are a number of different vehicles of communication which facilitate social interactions, including meetings, phone calls, emails, and activities such as football matches and exhibitions. Accordingly, this section will present and analyse the

data regarding these means of interaction, and their use amongst five star hotels in sharing knowledge.

Meetings are one of the primary means through which informal social interactions are carried out to facilitate knowledge sharing among competing hotels. In some cases, meetings are held regularly, perhaps monthly or quarterly, but without a fixed schedule.

> "You could say we meet every two months. Sometimes these meetings don't happen monthly. We can say the average is every two months, every sixty days or so we have a meeting." (Hani)

> "We visit each other once a month or once every couple of months." (Mansor)

Phone calls are often used as a means of communication between hotel managers. The repetition of the word 'phone' in this quotation reflects the preference of this means of communication for this participant, when he was asked about what method he uses to communicate with other managers.

> "Phone, phone, phone." (Basem)

For this hotel manager, phone calls are used more frequently than other means of communication.

> "Mostly we communicate by phone." (Ehsan)

This participant uses phone calls to reach other managers, but not as frequently as the previous ones. He prefers emails being more efficient in passing information because he can reach people whatever their conditions.

> "We meet face to face and I use emails in everything. Maybe someone is ill so I'll use emails to communicate with them if there's something I want to pass on to them, any changes that have happened. I have a very limited use of phone calls." (Ashraf)

171

For these participants, as the point is to keep in touch with others, they do not mind using any means of communication to do so.

> "Sometimes phone calls, sometimes meetings. I meet with [a named hotel manager] and [a named hotel manager] and [a named hotel manager] at the same time, we talk over the phone." (Tamem)

> "We talk by phone and explain the situation for each other, discussing this and that. If we can meet, we meet." (Aiman)

The choice of the channel depends on the purpose of the communication. For this participant, all means of communication are employed, but each of them is used in different cases. For example, when he needs to illustrate a point or a situation using photos or images of equipment he uses emails, in other cases he uses the mobile.

> "Mobile is the fastest way to communicate, we use internet when there is an offer from a company of new equipment or something new in the market, and we use the internet to exchange this information, but for easy communication we use the mobile, you know what I mean?" (Khalel)

Not only does the purpose determine the choice of the communication method, but also the situation of the managers. According to this participant, when they are very busy, especially in high season, they do not have time to meet face to face. In such cases they use phone calls or emails to save time.

> "We meet maybe in low seasons, as sometimes we cannot move from our office. So we use emails or phone calls." (Ahmed)

> "We meet face to face. This is based on the situation." (Maen)

In the Hajj season, one of the busiest seasons for hotels, it is difficult for hotel managers to arrange meetings because they are all busy, sometimes working for days without having breaks.

> "From the first of Shaaban [Arabic month] until the end of the Hajj season [religious ritual in Islam] we only have time for guests." (Morad)

> "You see during Ramadan [Islamic holy month] and Hajj [religious ritual in Islam] season, we don't meet because it's so busy; we don't have time for that, so we use other months for meetings and we exchange our point of view of the market, discuss the financial growth of the market..." (Naser)

Occasions such as conferences and exhibitions can be channels for communication. Through these occasions hotel managers can get together and also they can also establish new relationships.

> "Sometimes a certain company organizes a presentation, so I can see them there or I see them at one of the exhibitions." (Ehsan)

> "We are invited to exhibitions, suppliers sometimes invite us when they organize an exhibition to see what's new." (Khalel)

Being together at one place during different occasions not only enables hotel managers to interact, it is also considered a good opportunity to exchange different point of views about the market and related issues and concerns, according this participant.

> "We see each other at exhibitions, and ask how things are going, how the market treating everyone, things like this." (Mohi)

Activities which are organized for the purpose of having fun also provide the opportunity for hotel managers to see each other. These activities help them to establish new relationships and strengthen already-existing ones.

"Through watching football matches together or something like that I've been able to make manager friends." (Basem)

In conclusion, there are a number of communication methods used to facilitate social interaction among hotels and their managers, including meetings, phone calls, and emails. Certain forms of communication are more conducive to certain aims, or in light of the working environment of the managers. As such, the purpose of the communication informs of the choice of the means.

4.4 Trust

It is shown in the data that knowledge sharing among members of the five star association sometimes implies withholding information or spinning its meaning. This tends to occur for one of two reasons: first, as a technique to conduct their business; second, for fear of losing a good reputation. Although this may affect trust among the members of an association, surprisingly they still communicate and share their knowledge. These issues will be demonstrated in detail in the following section.

The following two quotations demonstrate that some members of the five star association lie while sharing knowledge.

"We give them what we have and they give us what they have, but unfortunately not all of them are honest and tell the truth." (Majed)

"We give correct information, but [a named hotel] does not." (Bandar)

This participant reports a bad experience with one of his competitors when it came to exchanging information. His response, however, was diplomatic. Although he lost his trust in them, he kept the relationship.

> "I communicated with them based on trust but in one situation this trust was destroyed. I still communicate with them." (Morad)

Another participant had the same experience but his reaction was different from the previous one. He talked calmly about his experience. He did not lose his trust and his relationship was not affected. His answer to the question, "Do you think this may affect the trust between you and them?":

> "No, no worries." (Basem)

According to this participant, the reason that the breach of trust did not destroy the relationship was because he always expects not to have accurate details and keeps in mind a certain percentage of inaccuracy when he shares knowledge with competitors.

> "No one tells the truth, including me." (Basem)

The data collected demonstrates that there are two reasons which justify this behaviour while exchanging information among competing five star hotels. The first reason is that withholding information and spinning meaning is considered as an acceptable approach to conducting business. The second reason involves the fear of losing one's good reputation—dishonest is employed as a means to protect the hotel's reputation.

4.4.1 Business technique

This is the first reason behind withholding information and spinning its meaning while sharing knowledge among the group members. Withholding and corrupting information while sharing knowledge is, in some cases, simply one of the approaches some hotels use in running their business. For them, it is not a breach of protocol to withhold or corrupt what they know in order to succeed commercially.

This participant admitted that he sometimes has to give inaccurate information to the competitors. The use of 'has' may show that he identifies a need for such duplicity which makes him convinced to do it. This need is the benefits which can be gained from using this approach.

> "It may be good for his own benefit to give me wrong information. It happened with me and it may happen in the future. With competitors sometimes one has to give inaccurate information." (Aiman)

For this participant, this behaviour is a trick and a clever way to deal with them. Further, it is interpreted as common practice. It is not surprising because both of the sides who are involved in the exchange expect that the information they receive is not completely accurate because it is a clever approach which they all use.

> "Frankly speaking, it is a trick. They expect this from us. Just like we expect that there is a trick from them." (Mansor)

According to the following participant, despite the fact that not all hotels are convinced this is acceptable business conduct, it is a natural reaction. As they expect a degree of manoeuvrability with regards to the information on the part of the other side, they try to compensate for this by reciprocating the practice.

> "Some of them think that they get inaccurate information so they give you inaccurate information in return." (Eiad)

The following quotation may show that it is normal for them to lie and that it is done innocently and not meant to harm each other. They are being dishonest just because they are convinced it is an appropriate way to deal with competitors.

> "Although we know that we sometimes lie when we share information, we have tea together and share information about occupancy or other concerns, not all of it correct." (Amjad)

The explanation behind why hotels still want to share information although they are sure it is inaccurate is that they can still benefit from the information they gain and make use of it. They attempt to analyse the information they receive logically, taking into account the degree of inaccuracy they expect to receive, which enables them to come up with a reasonable idea as to the correct information.

> "No one tells the truth, including me. But if you are professional you can know how to make use of the information even if it is not one hundred percent correct. But we can all make use of this inaccurate information. I don't know how to explain this to you, but we can do some interpreting of the information we get and be very close to the reality of the situation." (Basem)

For this participant, there is no need to obtain completely correct information in the first place. He is able to interpret the information even if part of it is not correct. Knowing that the information they have is not one hundred percent correct is considered extra information which help them to be close to the right information. All that they need to do is to get an accurate picture of the happenings of the competing hotel is to add this inaccuracy percentage to the details they receive, before they analyse it.

> "Seventy percent of the information is enough for me. Seventy percent accuracy is enough, you still can deal with it." (Mansor)

For some participants, however, there is a need not to conduct business relying on the information gained from competitors only because there is the possibility of inaccuracy. There is a need to look to different sources of information in order to verify what is given.

> "What I want to say is that you cannot build your work based on the reports of your competitors only." (Amjad)

"I think it's normal. At the end of the day, it's business. He probably doesn't rely on what I say and I tend not to rely on what he says alone, because there are other sources for information." (Aiman)

4.4.2 Fear of losing reputation

The second reason behind withholding information and spinning its meaning among five star hotels while they share knowledge is the fear of losing a good reputation, or of gaining a bad one. Maintaining a good reputation is a source of business for hotels as it can affect their sales. Without a good reputation, they may not be able to earn enough business or may not earn sort of business they wish to have. This is because many clients go to hotels which they believe have a good reputation, even if they can find cheaper service elsewhere. When hotels feel, however, that sharing details about certain things will affect their reputation negatively, they might hide the truth or lie about it. The final section will present and analyse the data gathered relating to this fear, and its use as a justification for dishonest in knowledge sharing.

Hotels care most about their reputation when it comes to their competitors. They want to keep their good reputation in front of their competitors because they may be worried that competitors will use these details to harm them. This participant described how he gained faulty information from one of his competitors. He knew that his competitor did this just to keep its good reputation, which, according to him, is an acceptable excuse for them to behave in this way.

> "Maybe the information we gain while exchanging information with each other is not correct. They may lie to keep up a good image. [A named hotel] was renting a hundred or fifty rooms, I do not remember exactly. But the point is, they were renting them for one-fifty for the whole year in order to make sure they have a continuous income reported for the whole year whether these rooms were empty or occupied." (Majed)

178

A hotel like the one in the previous quotation found itself in a position where it had to hide or lie about some of its financial details in order to keep up their reputation. The reality of their situation would have been interpreted as that this hotel cannot be sure of having clients during the year for one reason or another. Such a concern about losing their competitive edge in comparison to others may push them to behave in this way.

> "By doing this they destroyed their image and they regretted it. I never ever do this, I prefer not to sell the rooms and keep them empty to reduce the price like this." (Majed)

Moreover, their aim in withholding information or spinning its meaning is to create a certain image of themselves, which must reflect that they have business for the whole year. If they do not have this image in reality, they create it by telling lies.

> "If the hotel does not work very well they add five or ten percent to their occupancy percentage when they exchange it with others." (Amjad)

> "'What is your news?', I ask. 'Perfect, and busy—one-hundred percent occupancy!', he'll say. He doesn't know I already know he's not that busy." (Amjad)

Additionally, hotels tend to withhold information related to ethics. They think if they reveal this, others may interpret it badly. This participant reports always trying to solve problem related to ethics internally, and never discussing it with other members in the association. The fear of losing the good esteem of his competitors prevents him from consulting others on matters of ethics.

> "I do not speak with any one from outside this hotel about problems which may affect the name of the hotel, such as the ethics of the staff. They will interpret this negatively, as that the level here is low." (Morad)

To conclude, five star association members sometimes withhold information or spin its meaning when they exchange knowledge with each other because of two reasons: either they consider such behaviour a valid business technique, and do so because they expect others to be equally mendacious; or they may do this when they fear losing their good reputation in telling the truth. Although this may affect the trust among them, hotels still share their knowledge because of two reasons: first, sharing with each other solidifies access to each other and each other's knowledge; and second, hotels can still benefit from the information they gain and make use of it by taking into account the degree of inaccuracy they expect to receive, a practice which enables them to be very close to the reality of the situation.

4.5 Summary and implications for research

The presentation and analysis of the data in this chapter has explained the cooperative practices—including those that are knowledge based and non knowledge based—which take place among five star hotels in Saudi Arabia. Through a discussion of these practices and the content of the knowledge that they share, the conditions under which these cooperative practices take place have been made clear. The knowledge based practices found in the data suggest that there are certain accepted sharing behaviours in this competitive environment that encourage a more cooperative environment and that these cooperative conditions may further encourage some non knowledge based sharing practices.

The knowledge-based practices involve: problem solving, sharing creative ideas and practices, prices determination and finance-related issues, determining employment-related issues, and determining market position. The non-knowledge-based practice

discussed has involved referring clients from one hotel to another. The analysis implies that five star hotels form an informal association which requires membership in order to be involved in the sharing of knowledge. Moreover, it also has made it clear that a network based on social ties among managers is the conduit through which inter-organisational knowledge sharing occurs in this industry. Therefore, the evaluation of these practices has shed valuable insight into the social nature of cooperation which takes place between five star hotels in the religious destination of Saudi Arabia.

The analysis of the data has made further implications as to why hotels in Saudi Arabia might have a vested interest in sharing their knowledge even when they do not trust each other. The data revealed that there were certain justifications for hotels in sharing knowledge that included benefits such as protecting the business, negotiating with regulators and suppliers, protecting their reputations, transfer innovations, retaining employees, and ensuring consistent performance. Such justifications imply that there are shared concerns that stem from encountering the same industry wide problems in the business environment that may encourage more cooperative knowledge sharing among this group. These justifications also suggest that sharing knowledge can be an attempt to maintain a certain level of performance through comparison as it assists in determining their market share.

Finally, the chapter has also shown that withholding information or twisting its meaning is justified by two reasons according to the data: the fact that it is considered a common and legitimate business method in dealing with competitors; or the fear that transparency regarding some of aspects in which a hotel's operations might be falling short (such as occupancy rates or revenue) would damage the hotel's reputation. This would imply that

the industry is still a very competitive environment for these organizations, and although such withholding behaviour can affect trust amongst the members of the association that forms between five star hotels, they nevertheless continue to communicate and share their knowledge.

Chapter 5 —Inter-organizational knowledge sharing among a clique of competing five star hotels to gain benefits

5.1 Introduction

Overall, the research findings presented in the previous chapter, demonstrate the formation of a clique among competing five star hotels. Despite the informality of this arrangement, whereby there is no official group and nor any written or legally-binding agreements between those involved, membership of the clique is restricted by star rating and whether a consensus of members see each other as natural competitors, i.e. members must be affiliated with a five star hotel and must all be seeking to attract the same group of customers to their establishments.

The formation of this five star hotel clique takes place within the context of a market structure known as an oligopoly. The key features of this type of market include a limited number of suppliers, a strategic interdependence between these competing suppliers, and a state of tension between what actions will benefit them individually and what will benefit the industry as a whole.

The data provided in the previous chapter also indicates that these firms, despite being rivals, collaborate in five knowledge based practices: 1) problem solving; 2) sharing creative ideas and practices; 3) pricing and other financial matters; 4) salaries and employment matters; and 5) the determination of the market position of each firm. In addition to these knowledge based cooperative practices, they also refer clients to each other.

The shared knowledge that each hotel gains through the five knowledge based activities can be used both on an individual basis by each of the hotel involved, whereby they each attain private benefits, as well as collectively, thereby attaining collective advantages as an industry. These collective advantages benefit all clique members. They include areas such as standardization, according to which the hotels synchronise their service levels and average out their prices; bargaining, whereby the hotels unite to negotiate with outside bodies, such as suppliers or industry regulators; and image promotion, in which the members discuss how they promote the image of the five star hotel market. Finally, they also seek to assist each other by circulating amongst themselves details of potential and unwanted employees whom they wish to market to their fellow clique members, as well as information regarding troublesome clients.

The reasoning for these forms of cooperation lies in the previously mentioned features of an oligopoly. There exists an interdependence between five star hotels, which stems from the fact that there are few of them, each with a large share of the market. As a result, each hotel faces a conflict between the wish to compete—by seeking to increase market share and maximize profits independently—and the possibilities of cooperation with other, similar hotels, whereby all can jointly maximize profits.

It is worth noting that members' intentions are often clouded by perceived self-interest, which can lead to dishonesty. While the recognition of this can have implications for trust within the clique, the long-term goals of members mean that cooperation will still occur, allowing all parties to reap the collective benefits.

This chapter will present and explain the theory resulting from the findings of this research. The presentation of this theory will integrate and be supported by the literature. The discussion of the literature within the theory is designed to illustrate its key components clearly.

This chapter will first discuss the formation of a clique among five star hotels, demonstrating how features such as similarity, competition, and status factor into establishing and maintaining the clique. It will then discuss how clique members— whose relationships are characterised by the tension between cooperation and self-interest—use their shared knowledge collectively to gain common benefits and individually to gain private benefits. It will then discuss how members of clique gain common benefits through presenting cliquing practices, including: standardization, improving one's bargaining position with suppliers and regulators, promoting the image of the market, and circulating details of blockers and employees. Next, this chapter will discuss the role of social network to facilitate knowledge sharing among hotels. Then, it demonstrates the role of trust in knowledge sharing among the clique members. The final section focuses on oligopoly theory and game theory, and how these two theories can provide valuable insight into the behaviour of the five star clique.

5.2 Five star hotel clique

The data in the current study identifies a noteworthy phenomenon amongst business organizations, which, in this instance, comprise five star hotels: the formation of a clique which is a " group of firms, more densely interconnected to one another than to other firms in the industry network, and reproduced over time by repeated interactions among a set of firms" (Rowley et al., 2004:454). While the notion of a clique is often employed

in the discussion of interpersonal relations, its significance for industry yields much for consideration as well. In the hospitality industry, such cliques can be identified based on three primary features: similarity, competition, and status. Maintaining a similarity in terms of clientele, cost, and service creates an association amongst these hotels and enables them to be placed alongside each other in the customers' minds.

These similarities lead to the unconscious formation of a clique, based on the type and quality of services offered, and on the classifications of guests served, as these Five star hotels become identified with each other on account of their similarities. At the same time, these similarities prompt such hotels to become natural competitors, always competing for a larger share of the same market. The competition between them leads in this case to the conscious formation of a clique, as hotels seek to retain, maintain, and control the market in which they operate and serve, using the opportunity to discuss and exchange mutually beneficial ideas whilst simultaneously seeking to better themselves by taking advantage of the variety and scope of their competitors' knowledge and experience. Finally, cliques can be identified based on the self-selecting notion of status and elitism. By seeking and maintaining membership in a clique, hotels gain the advantages of the desirable and profitable features of their other clique members. Thus, an understanding of the role of cliques in the hospitality industry will serve to provide invaluable insight into how best to harness this naturally occurring phenomenon in the hotel industry.

A brief review of the nature of the clique offers a useful foundation for examination of its specific role in five star hotels. Hartman and Lee (1997:389) use the term to refer to "a subset of individuals among a larger body of individuals".

A clique, according to Rasmussen and Zander (1954:248), is a "group of three or more persons, all of whom made mutual choices of each other when naming the persons in their membership group". This definition serves as a basis for understanding the clique, referring to the formation of the clique and outlining a minimum size. It emphasises the necessity of mutuality between the members of the clique, all of whom are members out of a choice of some kind. A second definition builds upon this principle. Mutuality plays a role in the following definition offered by Davis, and further focuses on the clique members' perception of each other. Davis (1963:451) asserts that a clique, understood here as within the broader group of hotel businesses, is "a subset of group members whose average liking for each other is greater than their average liking for the other member". This definition therefore limits clique membership by deciding it is based solely on this aspect of relationships.

Hubbell (1965:377), supplying the third definition, is more open than the previous definitions as he does not limit agents' identification with each other to their mutual feelings. The clique is here defined as "a subset of members who are more closely identified with one another than they are with the remaining members of their group". Finally, the definition proffered by Tichy (1973:197) goes on to identify the reason for their interaction—that of exchange. He asserts that a clique is "a subset of members who are more closely identified with one another than they are with the remaining members of their group and who exchange something among themselves (this exchange can be referred to as the content of the relationships and may be information, affect, friendships, and so forth)". Thus, as it can be characterised that the different natural groupings of hotels into levels or grades based on their similarities, competition against

each other in a common market sector, and perceived and projected status as, for example, 'elite', indeed constitute a clique, an examination of the features of the five star hotel clique will be of value to a comprehensive study of knowledge sharing in the hotel industry.

5.2.1 Clique membership

This section, seeks to examine in more detail those factors, which contribute to clique membership. Data compiled in the current study as well as in the literature reveal that three main factors cause a hotel to communicate with the aim of sharing knowledge with others. They are: similarity, where different organisations can gain beneficial development as the result of learning industry 'best practices' through dialogue with organisations facing the same growth, marketing, and personnel needs; competition, through which participating organisations learn by observing and monitoring those vying for the same clientele; and status, according to which organisations self-identify and exchange equivalent practices, even with their rivals, in order to gain benefits from such association. Hartman and Lee's (1997) study to examine factors contributing to the formation of a clique among deans of business colleges, came to discern that opinion similarity, location, and size of faculty each play a role in the determination of group membership, but that it was opinion similarity which had the most significant effect. Hartman and Lee's findings are consistent with those of the current study in that they both agree on the primacy of the similarity element which affects clique membership even though the members of these cliques may be different in other factors. It is to this principle that the evaluation shall now turn.

5.2.1.1 Similarity

Similarity among these hotels encourages them to communicate with each other; as the research suggests, social similarities between the parties is proportional to the level of communication among them. As such similarities increase, communication will also increase – allowing greater scope for knowledge sharing (Cummings, 2003). Festinger (1954) suggests that those who perceive themselves to be of analogous conditions in similar circumstances will be drawn to each other. Furthermore, Suen's group formation model suggests that groups form in society because different members of that society wish to learn from others who know better. Such members automatically see other members with similar beliefs to them as better-informed than those with differing beliefs because their analysis and judgement of who knows best occurs within the context of their own beliefs. This group formation leads to a balance within society according to which like-minded people naturally mix together and believe that their fellow group members know best (Suen, 2010).

Strategic similarity between organisations affects the level of their knowledge sharing and exchange success. An example to note is Porac and Thomas' (1994) study of retail organizations that determined that those of similar size and structure were more likely to exchange ideas and share practices than those of a differing make-up.

The data presented in this study revealed the factors that lead one hotel to perceive that another is similar. These include: charging within a similar range of prices, striving for similar services standards, aiming to appeal to and attract similar clients, and having the infrastructure which generates similar concerns. Hotels which have similarity in these four respects can be said to belong to one market. It is the last of these factors which best

reveals the need for knowledge sharing within competing hotels. The existence of common concerns most notably encourages them to communicate with each other, a sentiment validated according to the testimony of this participant interviewed during the research for this report:

> "You talk with people who are involved in your market because of being part of the same type of hotel, having similar clients, similar prices." (Mansor)

- **Clientele similarity**

Clientele is one of the factors that encourages five star hotels to limit their relationships to those of a similar star rating. While there exist as many different kinds of clients as there are different kinds of hotels, general trends can be perceived which enable similarities amongst groups to be analysed. Clients can be considered to vary along the lines of the star rating of the hotels. Many clients have been shown to patron consistently one clique of hotels: whether that be going for the five star groups of hotels, or going for three star group of hotels or a different group.

Similarity in the types of clients who either seek, or are sought for, a particular clique of hotels points to similarity on the part of the hotels as relates to concerns and issues regarding clients. As the specific market of clients is thus the same amongst five star hotels, it becomes natural for these hotels to communicate with each other—a tendency indeed demonstrated in the hotels studied earlier. Being targeted by similar customers encourages these organizations to communicate with each other. According to the data presented, five star hotels clients are not only those who can offer to pay the large amount of money that is needed to rent rooms in these hotels, but that these clients also are noted for maintaining particular preferences which they come to expect from the hotels they frequent. One hotel management interviewee notes in affirmation:

> "The clients of [a named hotel], or [a named hotel] are different than the clients of [a named hotel]. Each client has their preference." (Khalel)

The difference among clients of five star hotels and those hotels of other ratings is based mainly on clients' preferences and financial abilities. However, the fact that specific types of clients prefer to rent rooms at five star hotels encourage these hotels to seek and maintain relationships with each other for the purposes of mutual benefit through knowledge sharing. Because they target similar types of clients hotels in the same clique may employ similar strategies to attract them. Such common concerns encourage five star hotels to band together and form their own community within that of the larger hotel industry. Accordingly, they may have more opportunities to share their relevant knowledge. One of the participants interviewed pointed out that the issue of differences and similarities in strategies explains the tendency of similar five hotels to have relationships with each other and not to have it with others.

> "In the competition report you won't find the market share of [a named hotel] because its strategy and policy are different than ours. We deal with walk-in guests while it deals with groups and does not deal with individual guests. It does not use advertisements to attract clients while we do. It targets organizations or governments while we target different clients. The two strategies are different." (Mansor)

Furthermore, the fact that a specific type of clients prefers to rent rooms at five star hotels provides an impetus for these hotels to forge relationships with each other with the particular aim of retaining their own clients and gaining their loyalty. This usually happens when hotels are fully booked and there are no vacancies. Knowing what their clients seek in a hotel, yet being unable to offer it themselves due to being fully booked, the five star hotel can employ the knowledge of and relationships with another five star hotel as an extension of itself: it has become common practice among hotels to refer

clients to each other. This usually occurs during the high seasons. When a hotel must refer clients, it must refer them to hotels which are similar to them, and which can guarantee the same amenities and service the client sought in coming to it in the first place. While there is the risk of the client developing a preference for the referred hotel, there is greater risk in being unable to accommodate the client without a recommendation. Maintaining such relationships based on knowledge of their competitors' services functions as a way to employ the benefits of referral as one of its own services to the client.

> "Sometimes I have groups coming at a certain period, and the hotel is full. The company that deals with me when it comes to sales wants the booking to be made through me. I can say to him: "No, I don't have any availability, and that's it", but what would have happened in this case? My client, I have lost my source! If I tell the person I don't have any this year, he may not come back to me next year, right? But when he found me credible and I told him, 'Don't worry I'll find you another hotel', and so I'll call colleagues in other hotels, and he will come back again next year. If I offer him something today, he'll offer me something tomorrow." (Saher)

- **Service similarity**

Each type of client comes to a hotel with a different set of preferences and expectations, and as such requires the existence of a certain, usually pre-supposed variety of services which suit both their requirements and their finances as relates to disposable funds. According to this, there are different levels of service. Not all hotels offer all types of services and all level of service which suit different types of clients. Thus, there are different types of hotels which offer different services and different levels of service to suit their customers' needs and preferences. Each of these types of hotels maintains its own service standards. The quintessential five star hotel can be identified in this regard by typically offering a selection of prestigious services such as crèche for younger guests, a parking service for guests with cars, and the provision of guides to advise on

religious ritual or cultural sensitivities. This difference in service standards intuitively affects the needs hotels themselves will have, and, accordingly, selects the peer group with which they will seek communication. Hotels prefer to communicate with each other if they have similar service standards. Their approach to maintaining knowledge sharing relationships with other hotels is based on the comparison of service level they make.

> "I communicate with managers in five star hotels because the services we operate are so similar. Hotels with different ratings have different levels of service, so the way they think about things is different from us. I mean, for example, I have certain standards for the products I buy or the materials I use to offer my service. These standards are different than the ones in three star hotels. The difference in standards makes it difficult to share our ideas and thoughts." (Hani)

- **Prices similarity**

The difference in service and service levels leads to correspondingly different prices in the cost to rent a hotel room. As an illustration, the higher of service standards provided by a hotel, the higher the average price they charge and vice versa. Therefore, hotels can employ prices as an indicator for the service standard levels they put on offer to prospective clients. Based on this, hotels can make their decision to have or not to have communication with each other. Relationships have been revealed to be forged they select hotels with similar average price because this means they strive to maintain a similar service standard. Market trends purport to dictate that prices can be an indication of the workings inside the hotel. Low rate prices, for example, reflects either low rate salaries or a smaller number of employees—and often both. Furthermore, a small number of employees may itself indicate a low service level given the size of the hotel, as the balance between the tasks and the employees may be unstable. Such a claim was supported by one management member interviewed,

"As a matter of fact, I communicate with five star hotels because they are similar to me and they are at my level. I mean, I have relationships with those with whom I can compare myself. If you told me that [a named hotel] is 100% full because of their lower prices, I'd tell you I cannot offer it. I cannot rent for the same prices because I have a certain level of service to offer, and that costs money. The rate of the salaries I offer to my employees is different than that other hotel's salaries—and accordingly, my employees will be offering something more than theirs. [A named hotel] may rent the room for very low rate because it has low rate salaries and a small number of employees, whereas I on the other hand have certain level I must maintain." (Naji)

As hotels can glean information about the situation inside hotels from the room rates, they are able to determine which hotels are similar to them in terms of the standards of services offered. The more similarity they have, the more potential to have relationships with each other. A further way in which hotels can benefit from the sharing of information is in the actual creation of room rate plans. These plans require market research studies, which aim to determine the best and most suitable prices. To carry out these studies, hotels need to know the rates charged by their competitors because these rate plans are devised based on the market. Therefore they find themselves in a position where interaction with hotels of a similar size and quality about their prices becomes imperative in order for their rate plans to remain competitive and relevant within the industry. It would be imprudent for hotels to set their prices without taking into account the other prices in the market, and indeed it is not done. It yields no benefit to compare prices with hotels of a vastly different calibre: the prices will not be accurate to the additional services rendered by five star hotels. From a business point of view, communication without benefit is futile. Five star hotels, for example cannot set their rate plans based on the information about three star hotels prices, as one interviewee notes:

"Four star hotels exchange information with other four star hotels, three star hotels with three star hotels, and five star hotels with five star hotels. Want to know why? Because of the prices. Each category has a price rate which is different than the other categories." (Mohi)

Relationships amongst competitors can in most cases only be worthwhile in terms of the benefits which the participants can gain out of having them.

5.2.1.2 Competition

Competition is a second factor which contributes to clique membership. This factor is connected to the similarity factor, discussed above, in that by the very nature of competition, similar organisations compete for the same market. Hotels can therefore be said to compete for the same goal, as in order to compete they need to be equals. As Festinger (1954:121) asserts "there is a selectivity in comparison on abilities and opinions and that one major factor governing the selectivity is simply the discrepancy between the person's own opinion or ability and that of another person". The data demonstrates that hotels calculate equality by being similar: Adam's (1965) Equity Theory successfully argues that "individuals are driven to seek out others who are similar to them to serve as basis for equity comparisons" (Hartman and Lee, 1997:390). Competition stimulates hotels to have communication. That is to say, hotels which are equal based on the similarity in needs, aims, and resources tend to compete with each other. This competition in turn motivates them to establish relationships and to communicate. The simile which was employed by one of the participants interviewed explains how hotels view this competitive collaboration: hotels as players of a game. This game may have different levels, but each of them has players who compete to win. They need to have some sort of equality in order to be able to compete with each other, and this equality encourages them to compete.

> "It's like a square and inside this square there are different playgrounds. Each playground has its players. I play with these players in the five star playground because we have similar services and prices." (Mohi)

The data presented in this study has demonstrated that equality is a base of competition. If they are not equal there will be no base for the competition, and, accordingly, if there is no base for the competition, two hotels cannot compete. As Festinger (1954:120) asserts,

> "A person does not tend to evaluate his opinions or his abilities by comparison with others who are too divergent from himself. If some other person's ability is too far from his own, either above or below, it is not possible to evaluate his own ability accurately by comparison with other person. There is then a tendency not to make the comparison. Thus, a college student, for example, does not compare himself to inmates of an institution for the feeble minded to evaluate his own intelligence. Nor does a person who is just beginning to learn the game of chess compare himself to the recognized masters of the game".

Equal ability for competition encourages them to communicate. While there are precautions to be taken so that communication with the opposition does not lead to revealing trade secrets, there is also much to be gained from conserving a professional relationship with the competitors in one's peer group or industry clique. Hotels in this instance communicate with each other in order to gain access to each other's hotels. As an illustration, hotels for example maintain the practice of exchanging daily information regarding the average room rate and occupancy percentage which they use to understand the position of the market. The most reliable source for such details is the hotel managers themselves.

> "Every day we take the occupancy and the average room rates from them and they take them from us." (Majed)

Another example of knowledge sharing amongst hotel professionals is the practice of setting their rate plan and salary policies based on the average prices and average salaries in the market. Again, the most reliable source for this information is the hotels themselves. Therefore, industry insiders find themselves in a position where the careful development and retention of relationships and communication with their competitors in the market is beneficial to their own aims and success. That is to say, there is no need for the communication with those who are not rivals because exchanging information with them will lead to no benefits for them. According to this participant, communicating with competing hotels is his approach to gain an access to them to know about them which is needed to retain his employees.

> "If an employee here considers moving to another hotel where do you think he goes? He won't go to different star rating hotels. Therefore, I am very careful to keep my relationships and communication with hotels in my star rating. Employees are very selective when they want to leave the hotel and work at other hotels. They will go to similar star rating hotels, but they won't go down to a different rating, trust me!" (Jaber)

5.2.1.3 Status

Status is the third factor, which affects the clique formation. The research data gathered in the current study reveals that status as an elite identity stems from two main elements. The first element is performance and the second element is clientele. In other words, it is both internal and external factors, which shape the elite identity of five star hotels. Alvesson and Robertson (2006:200) argue that "there has to be support from 'significant others' in order for elite status to be an option. Elite self-constructions therefore demand some element of confirmation". Therefore, the internal factor of performance requires for its enhancement the patronage and approval of the external factor, which is clientele. This is because clientele are directly exposed to the internal factor. Performance can be

reflected in the service offered to clienteles. As part of the service industry, the performance offered by the employees and the experience of that service by the clients form a direct and intimate bond, which, when polished, perfected, and publicised, can be set as the status banner under which the hotel operates (Davidson et al., 2001). It is evident, therefore, that the clienteles are a fundamental feature of status in that their confirmation can be said to validate the performance and service of the hotel employees and management.

- **Internal factor- performance**

Social psychology research indicates that the internal element of performance is indeed linked to organizational identity (Alvesson and Robertson, 2006). The data gathered reveals the various ways in which performance is related to three factors in the current study. They are: employees, innovation and standards.

1. **Employees**

Elitism in organisations is linked to employees. In their study, Alvesson and Robertson (2006:199) aim to investigate the effects of elite identity in consulting firms, theorise that "the construction of successful elite identity could be particularly useful within the context of consultancy firms eager to attract, recruit and retain highly qualified expert labour". This is consistent with the current study as the data demonstrates that elite identity is reflected in the employment-related issues such as selecting, training, and retaining employees.

Employees are one of the crucial factors on which five star hotels rely to gain the elite identity. Their top managers are highly educated. Nearly all of them hold a degree in their work-related field such as finance, marketing, and human resource management. A

good proportion of them hold masters degrees, and some of the most experienced managers have engaged in further academic research and practice, in order to attain PhDs, some further still with high-level industrial experience. This is in line with the study of Alvesson and Robertson (2006:203), who note that the Universal Consulting Company displays elitism through its being dominated by highly educated consultants, most of whom have attained PhDs, with significant commercial experience. They assert, "Only the 'very best and brightest' candidates from around the world will therefore be recruited".

These hotels are very selective when they select their employees. They place a strong emphasis on high level evaluation in order to choose the most capable people and reject those who may affect the elite identity by having a bad reputation.

> "I called his manager asking how this applicant was when he worked for him.
> 'Oh no, be careful,' he said, 'he used to cause trouble with guests'. So I didn't
> hire him." (Basem)

For an industry whose success depends so intimately on the personal experience of guests, interviews and CV are not enough to gauge a prospective employee's suitability effectively. The request for references familiar with the work and character of the candidate before they employ them has become common practice. This is not limited to five star hotels in the religious destinations of Saudi Arabia; Cervino and Bonache (2005:462) argue that "in larger and chain hotels, as in the case of Cuba, structured procedures, including references, application forms, psychological evaluation and panel interviews are considered, in general terms, the best practices for recruitment and selection in the hotel sector."

> "When you interview an applicant he tries to be professional during the interview, but he may not be so professional when he works. During the interview, he is professional; he is polite, smart, and understands everything. After he gets the job, his problems start to appear. He has a temper and other weaknesses." (Ehsan)

Further, future employers also ask about them in their previous work place to ask for certain details which they can know from the interviews.

> "I told him he was honest and everything was good about him except one thing. He often comes late in the morning. He said, 'Ok, this isn't a big deal, I can deal with this since he is honest. I can deal with everything but not with dishonesty, because the employee will be in the reception and will have to deal with cash'. Does that make sense?" (Basem)

Once an employee is hired, the real work on developing them into an ambassador for the elite principles of the hotel begins. As is consistent with other industries, offering a better product (in the case of hotels, a particular brand of service) to their clients is fundamental to maintaining one's status as an elite five star hotel. "One strategy related to sustaining such competitive advantage is to develop the human capital" (Kim et al., 2009:369). Therefore, after hotels hire an employee, they give them certain training related to their tasks. This training can be taken internally inside the hotel or outside the hotel, such as sending them to hospitality industry conferences or even to shadow more established personnel at another institution anywhere in the world. Five star hotels put funds aside from their budget to train their employees to help them to acquire the necessary skills to perform their tasks professionally. Although this can be expensive, it does not stop them from achieving their goal to have skilful well trained employees.

> "One of my employees is studying in France right now. He wanted to resign in order to study for a degree. I refused and offered to pay half of his tuition. Why? Because his performance was high and I want to keep him [...] He is not the only one; I have a number of similar cases. We sent another one to England to train for three months and another one there also to train for a year." (Jaber)

It is not only money that five star hotels spend for training purposes, they also expend time thinking and taking decisions related to their training starting from the search for suitable institutions, singing them in, and following up with them. Hotels believe that employees are worth the investment spent on them because they are the front face of the organisation, the people their guests interact with the most. The investment is also made on maintaining competitive salaries and benefits based on industry standards, as satisfied employees are better able to represent the company in the dedicated and cheerful manner (Kim et al., 2009) required of the hospitality industry. It is therefore imperative that similar five star hotels participate in the knowledge sharing of communication with others in their clique, in order to be aware of the current average rate in terms of salary and benefits, promotions and raises, and professional development training offered by similar institutions. Accordingly, knowledge sharing is important for the careful determination of what is offered to their employees. This is their policy to retain their expert and skilful employees.

> "How can I evaluate my hotel? I evaluate my hotel through other hotels around me. If I give five thousand to my employee and another hotel would offer him six thousand for the same work, he'll leave me whatever I do to keep him, wouldn't he? There's no doubt he'll leave. How do I know that another hotel might offer him six thousand? The salary survey helps me to know this information." (Saher)

Moreover, individuals wish to work in these hotels because they believe they are the best not only because they pay higher wages but because they offer the opportunity for them to improve their skills. Five star hotels maintain the reputation that working for them offers entrance into an elite guild of practitioners: they make their employees better at their craft by offering them certain training and taking care of them until they become experts.

One of the participants interviewed tells the heartfelt story of his experience working in the "family" of a hotel. He started working in the hotel in the house keeping department. Through the experience and training the hotel was able to give him over the years, he is now the human resources manager for a prominent hotel, has been able to pursue a masters degree in management and is preparing for a PhD. He showed the interviewer a scar in his hand as the result of spilling a chemical product when he was working in the house keeping department, and said that he was proud of it because it reminds him of what he was and how far he has come. He told his story feeling grateful for the company that trained him until he was able to reach to his desired position in the company.

2. Innovation

As mentioned earlier, the elite identity can be seen in the current study as comprising both internal and external elements. Performance, as it relates to the experience of the clientele, is the external element and is related to three factors according to the data. Employees is the first factor, which has been discussed in the previous section. In this section, the second factor is discussed which is innovation. As Tang (2006) asserts, innovation is essential for success in a competitive global marketplace. It is a process whereby knowledge is converted into dynamic economic activity through the discovery, understanding and application of new technologies as well as various techniques from many sources. Innovation can also be seen to include the strategic development of new products, services, and processes (Carlin et al., 2004). The product on offer in the hotel industry is service. The data in current study has shown that three elements combined together related to this point. Having the ability to innovate, encouraging the innovation, and sharing the innovation. One of the key strengths of these elite hotels is that of their ability to come up with innovative ideas. This ability is likely to stem from the fact that

elite hotels employ high standard employees and invest in their development and training, as mentioned earlier. Staffing in the West is assumed to be a means through which organizations try to construct a valuable work force and to create a source of differentiation and a sustainable competitive advantage (Wrright et al., 1994; Cervino and Bonache, 2005).

Fincham and Rhodes (2005) state that human creativity and mankind's goal for improvement is the true source of all innovation. These high standard employees are considered experts in the field and have the ability to innovate especially when they know that hotels promote and reward such innovation. As mentioned earlier, an employee can have a relatively unimportant or insignificant job within a large organisation; with hard work and perseverance, this employee can be promoted and continue to climb the corporate ladder until they become a manager. A successful professional development training scheme offered on the art of hotel functions, designed to instil in their employees the importance of innovation and creativity, with the return on investment being that such employees will progress accordingly.

There are different examples of the innovative activities undertaken by managers at these hotels such as theme nights presented by the department heads of food and beverages departments at these elite hotels. In these nights, they serve a carefully planned menu revolving around a certain theme or type of food, such as seafood, Chinese cuisine, Italian food, and other types of cooking. On these events, hotels introduce new varieties and recipes, developing their skills as chefs and event supervisors. Furthermore, they invent new approaches to present the food and to offer the services to guests. Hotels encourage their employees to study and learn and be

creative because they know this will be beneficial for them at the end of the day. These employees are a key factor in innovation.

> "The management is in favour of investing in human capital [...].This sort of spending is costly but it's an important investment for the organization." (Salem)

Moreover, these hotels not only encourage creative ideas inside their hotels, they also encourage any creative idea which is innovated by any member of the elite group. They do this by sharing and implementing these ideas.

> "In Ramadan [Islamic holy month], some hotels offer gifts to long-term customers. These hotels' prices are more expensive than ours because we are new in the market compared to them and they are the oldest. Their prices are on the expensive side and our prices are a little bit cheaper. So, ok, I like the idea of the gifts—why don't I just adopt the idea with a small change in price? They offer more precious gifts and I give less precious gifts because a room here, for example, costs thirty thousand in Ramadan and a room in their hotels costs forty thousand. That's why there is a difference between the value of my gifts and their gifts. I adopted the idea with simple change to fit the needs and wants of my hotel." (Bandar)

There is a reason behind this interest in innovation among these elite hotels. As they are competitors in the first place, each member of the group tries to come out with successful ideas in order to gain more clients. If they wish to remain competitive amongst their peer group, the other members must either take the same idea and improve it, or else they must attempt to come out with a better idea. Based on this, it can be argued that innovations never stop—they will always progress as long as the competition remains for similar organizations offering similar services to the same core market group. This link between innovation and competition is still ambiguous(Tang, 2006), but it is confirmed by a number of studies (Baily et al., 1995; Carlin et al., 2004; Tang, 2006). Baily et al. (1995:345) in their study of manufacturing industries demonstrate that competition in the same market leads to an increase in the speed of

innovation. They argue that "standard theoretical arguments, however, often miss the simple role of competition in pushing firms to maximize profits by seeking innovations and changes in product design and workplace organization".

Furthermore, Carlin et al., (2004), in an influential investigation of the relation between competition and innovation, report that "monopolies innovate less and have weaker growth than firms facing a minimum of rivalry. The presence of competitors has both a direct effect on performance, and an indirect effect, through improving the efficiency with which the rents from market power in product markets are utilized to undertake innovation". In a more recent study, Tang (2006) demonstrated that different types of pressures can lead to different scales of innovation: some more positive than others. While healthy and fair competition can provide the impetus for creative work and changes which benefit both patron and professional, negative pressures resulting from, to take one example, the perception of an uneven playing field or even dishonest activity on the part of one's competitors, can lead to more risky innovations that result more in the exploitation of customers in order to turn a profit.

3. Standard

The five star hotels studied in this research project profile themselves as 'elite' because they maintain and project a high level of standards to follow for everything related to their work. These standards include building design, furniture, facilities, service, and equipment. In order to gain this classification as five star they need to maintain these standards. Some of these standards are issued by the companies themselves. Others are issued by the ministry which is responsible for giving them the rate classification. Certain hotels pride themselves on creating and maintaining their own standards which

they follow, which offer services and a guest experience above and beyond that required for the ministry-obtained classification. Even if there are no obligatory standards from the ministry they have their own standards. They strive to offer a product different from other hotels, even other five star hotels, because they ensure luxurious design and furniture based on these standards.

Alvesson and Robertson (2006:208) detail the example of Paramount Consulting Company to establish how one industry employs the use of symbols of elite status to maintain the 'product' of the service the company offers. They note that "symbolism was relied upon heavily to reinforce notions of elitism", symbolism that included everything from the cache of a prestigious address for the location of their main offices, booking lavish hotels for weekend strategy meetings, and offering the services of chauffer-driven Mercedes company cars for visiting guests and for their own employees when travelling. This sentiment is echoed in the testimony of one of the hotel professionals interviewed:

> "We communicate with certain hotels, such as [a named hotel], [a named hotel], and [a named hotel]. They have policies, procedures, and standards. It's not just about being five star, the point is that, yes, we communicate with five star hotels, but the reason we do this is that they have standards. Even the ministry, when it classifies the hotels as five star, requires certain standards in the building, the design. Everything must be in accordance with a certain standard, the spaces of rooms, everything." (Ashraf)

Furthermore, five star hotels profile themselves as elite because of the standards of service they provide. Excruciating attention to detail is executed when they provide service to clients. These standards serve to reinforce their place within the five star clique to the extent that it restricts this elite status to only those who have similar standards and may prevent them from communicating with others involved in the

industry whose standards do not match their own. The following description of a situation where the evident lack of the "art of hospitality" provides a clue to how these hotels profile themselves as elite based on standards service. The interviewee is aware of that, even deceptively simply jobs such as that of the receptionist should maintain the highest of standards.

> "I have relationships with five star hotels only. […] I am sorry to say this but some non five star hotels do not have the art of hospitality. The receptionists in some of these hotels eat in the reception, imagine! For example, you go to [a named non five star hotel] to ask for a room. The receptionist tells you wait a minute until I finish my lunch then find you a room!! For God sake where is the hospitality art here? The client is exhausted and looking for a room to rest, all what he needs is to find a clean room and a smile. […] These non five star hotels do not have art of hospitality. They do not know even a b c of hospitality. […] You know what, if an applicant wants to work at my hotels and he used to work at one of these hotels I will not employ him because he is used to certain thought and style and does not know the approaches of dealing with others" (Bandar)

As Kim et al. (2009) assert, the most important role in any service provider is that of its frontline staff, who determine its brand reputation through their direct contact with clients.

- **External factor- clientele**

The data obtained in the current study demonstrates that both the clientele and the hotels in the five star market share and reinforce their own elite status through the relationship of service. French sociologist Pierre Bourdieu (1984), whose work on elitism and status has been employed and developed by a number of more recent studies (Hartmann, 2000; Bowman, 2007; Patel and Conklin, 2009), states that the richest of the elite within a society do not make purchase decisions based on their amount of money or the cost of goods. This relates especially to choices of what hotel to patronise. Bourdieu (1984) hypothesises that wealth is a tool that ensures one does not have to make decisions of

sacrifice of what one wants on the basis of availability of funds, but only on the basis of such standards as preference or taste. Therefore, while the clients of less exclusive hotels need to budget, those seeking five star treatment have a range of multiple other considerations such as style, beauty, ease, location, and transport, which affect their decision making. That is to say, clients do not make choices based on value but on whether the hotel satisfies their specific needs as regards the services or opportunities they want from their hotels. Issues of lifestyle determine their choices, while others must budget.

The relationship between price and service is not necessarily transparent in the five star market, as certain services that are offered are used by flaunting clients, putting forward the idea, for example, that more money equals more sophistication, or a better and happier life. In fact, five star hotels and their clients both have expectations of each other. They feed into each others' images of what the other should be like and try to better themselves to impress the other. In the case of hotels, this does not just mean having more money but also keeping an eye on the style and services appreciated by an ever-growing and changing clientele.

Based on the work of Bourdieu, Hartmann (2000:254) compares business culture in Germany and France. His findings show that it is those who have "internalized the decisive codes of social distinction" who are the ones who can expect to be successful in German business culture. Everything from bearing, introduction, speaking style, confidence, and dress is crucial in determining the suitability of candidates for high level positions. Whereas in France, Hartman argues it is the education system which creates the elite. The notion of habitus can be used to describe the relationships between clients

and hotels in the five star market. Habitus describes a set of socially-defined and valued knowledge which inform social action, and may be used to separate classes within societies. The outcome of habitus is manifest in the habits, tastes, values, choices, actions, and bearing of individuals and institutions. The whole system of social inter-relation is oriented by the habitus (Bourdieu, 1977).

This insight helps to describe the elite environment in which the client and the hotel meet and create. The relationship is between the expectations of the clients in terms of service (which derives from their own class habitus) and what services the hotels can provide. This provision makes clear the hotels' aim to attract the type of client they wish and expect to serve. The five star habitus then is already structured by class expectations and continually structures the environments and cooperative practices and end goals of the hotels. The relationship between elite hotels and elite clients can therefore be seen as a circle, with the expectations of clients encouraging innovation on the part of hotels in order to better please guests, and the hotels offering services which reinforce a sense of satisfaction of desires of the part of their guests.

- **Power-elite status**

Apart from the fact that forming a clique is considered a source of power for its members, an additional source of power is generated and perpetuated by being part of an organisational elite. Alvesson and Robertson (2006:196) explain this concept further, that "typically then, organizational elites have been considered the privileged few who control organizational resources and have considerable power and influences both organizationally and to some extent at a social level". Power, in this case, is defined as "the probability that one actor within a social relationship would be in a position to carry

out his own will despite resistance" cited in (Cherrington, 1989:699) ; that is to say, power is an influential tool and those who use it effectively can alter both the outcomes of a process and the actions of others (Dick and Ellis, 2006).

Power, according to the data, stems from the elite identity of the five star hotels; the studied clique gains its power and influence from its unique position as comprising elite hotels. How an actor gains such power and influence has been a concern of many studies (Cook et al., 1983; Bonacich, 1987; Freeman et al., 1991; Friedkin, 1991; Mizruchi and Potts, 1998; Rowley et al., 2004). The current study, however, revealed the source of power in the clique: its elite status. An example from the interviews demonstrates this connection. For many decades, the religious destination in Saudi Arabia has received visitors from all over the world to perform religious rituals. To reach this destination, one can only come through the international airports in Jeddah, Riyadh, and Dammam and then take domestic flights or buses to access it. Although this destination drew the largest percentage of the total number of visitors to Saudi Arabia, and although the hospitality industry maintained a presence in the area for hundreds of years due to the many visitors who came to perform religious rituals, there were no direct international flights to it as the airport there was local and only received domestic flights.

An international airport was only put in place once the elite hotels started to open in the religious destination. The clique of elite hotels was able to work as a unit to discuss their case for opening an international terminal with the authorities, and succeeded. For Dick and Ellis (2006:114), "negotiation pressure can be applied more effectively if the group is large and supported by active member". Although all hotels in the religious destination city valued the additional clients that increased traffic to their destination

generated, they were unable to have any influence on the matter for decades until this elite group of hotels came into existence. The members of this clique used their power and incorporated their knowledge to find possible ways to achieve their goal to increase traffic to their destination. The negotiation was successful and the authorities have since transformed the local airport into an international one.

> "We were very happy when the airport was diverted into an international one and this was one of the issues that hotels discussed earlier and they took their decision to ask the authorities to change the airport to international. I am happy they responded." (Ahmed)

5.3 Knowledge sharing in the five star clique

This section will discuss how shared knowledge is used among the clique members whose relationships include competitive and cooperative elements to gain common benefits. Common benefits are the result of the cliquing practices among them. In other words, they use their shared knowledge collectively in order to achieve outcomes as a clique. The section first starts by discussing type of knowledge shared among members of the clique then discussing how knowledge sharing takes place among members of the clique whose relationships are characterized by the tension of competition and cooperation, focusing on the cooperative aspect then presents cliquing practices—common benefits — among members. Finally, it demonstrates willingness of members to share knowledge although the absence of trust among them as all of them would gain common benefits from cooperation.

5.3.1 Knowledge

Different forms of knowledge are shared among five star hotels. The first form is tacit knowledge. Members of hotel clique share experiences and skills, such as how they can solve complicated problems and how to implement new services. This can be considered

as tacit knowledge, according to Polanyi (1962; 1966), who distinguishes between explicit and tacit knowledge. Tacit knowledge is informal, not clear, cannot be seen and is hard to articulate and communicate because it resides in minds and skills (Newell et al., 2002; Sigala and Chalkiti, 2007). It is a complex form which involves viewpoints, intuition, deeply grounded statements, meaningful behaviour and values that people develop through experience. On the other hand, explicit knowledge can be codified and articulated in data bases, books or document (Nonaka et al., 1994). Formal processes, such as a methodological language, offer mechanisms to transfer this form of knowledge (Bouncken, 2002).

> "Sometimes, we face very complicated problems. We call them 'malicious problems'. You can't find solutions for this type of problem in the manual: Only experience can solve them. You need to rely on your experience to solve them. You need to find out what exactly the problem is. You examine every factor involved, gradually, and part by part until you know what exactly the problem is. After that, you start to solve it. Not everything is written in the manual. If it's basic, we go back to manual to solve problems, but experience is an important factor. If we have a problem in the hotel, all engineers sit with each other to discuss it. Sometimes they can't solve it so we discuss it with engineers in other hotels. I may discuss complicated problems with other engineers in other companies because this discussion provides you with new ideas or new solutions which you may never have thought of before." (Tamem)

The second form of knowledge which is shared among the members of five star hotel clique is declarative knowledge. They exchange data and information such as occupancy percentage, average room rate, salaries, and prices. They consider such pieces of information as knowledge, where their analysis results in a greater understanding of the issues. This is viewed as declarative knowledge according to Wober (2003) who classifies knowledge into declarative knowledge and procedural knowledge. Declarative knowledge is the factual knowledge of the industry, which help decision maker to solve complex problems. This includes information about tourist market and environment,

tourist behaviour, competition in the industry, and internal information for executive boards. While procedural knowledge is the methodology used (Wober, 2003) such as tourism planning models, communication tools, forecasting and quantitative methods (Pyo, 2005).

> "I am the mirror of the hotel. I can show the hotel's managers their position in the market after I analyze the data that I get from the competition report. I can see the result of their work in a form of figures and numbers. What is your achievement? How much have you sold? What is the average rate? Are you equal to others in the market? Is the average rate suitable to the market? If so, then this is good. If not, then why? Is our service lower than others who surround us? Or is it at the same level? If our service is at the same level we should have similar average rates. Do you think they are merely figures and numbers? They are much much more than this. What I mean is that from these numbers and figures we can reveal to all employees our position in the market and show them where they need to improve in order to provide better service so that they can compete." (Hani)

5.3.2 Gaining benefits by knowledge sharing

Scotchamer (1985) considers the primary aim of any association to be the expansion of utility for its members. As seen in chapter four, competing five star hotels cooperate in six practices to maximize their utility, all of which are knowledge related practices, except the one in which hotels refer clients to each other in the case of overbooking. Five star hotels share their knowledge to gain such competitive advantage as is essential for them as business organizations. Scott and Laws (2006) assign the strength of such an advantage to the fact that it is knowledge-based: those without the knowledge will have to find another method of competing. Knowledge sharing can be defined as "activities of transferring or disseminating knowledge from one person, group or organization to another" (Lee, 2001:324). Although business organizations cooperate to acquire new knowledge from each other, they, at the same time, compete with each other (Tsai, 2002).

The four concepts articulate in Khanna et al.'s (1998) study—collectively, individually, common, and private—offer a useful framework from which to characterise the complex relationship of the five star hotel clique revealed in the current study. The data demonstrates that shared knowledge is used in two ways: collectively, indicating activities that are governed by the clique and which benefit them all in common; and individually, through activities which are governed by the individual members and accordingly benefit only the individual member privately.

The shared knowledge involved in five star hotels' competitive cooperative relationship can therefore be characterised as including both cooperation for common benefit and competition for individual benefit. The common benefits can be seen as the result of cliquing. Members share their knowledge in cliquing practices to improve their market. Thus, the link between cliquing and cooperation is the common benefits gained.

On the competitive side, the shared knowledge is used individually to gain private benefit in an attempt to outperform their partners. As they are business organizations involved in one market, it is naturally to compete because competition is at the core of their business (Porter, 1985). This competition manifests itself in the use of their shared knowledge to improve their own competitive advantage. The competitive aspect stems from the fact that each organization attempt to use other's 'know how' to gain private benefits (Khanna et al., 1998).

Figure (5.1) below shows that five star hotels, which form a clique, are involved in a relationship comprising two aspects: cooperation and competition. As the result of this, they use their shared knowledge in two ways: collectively, to gain common benefits, and

214

privately, to gain private benefits. The common benefits are the result of their cliquing practice.
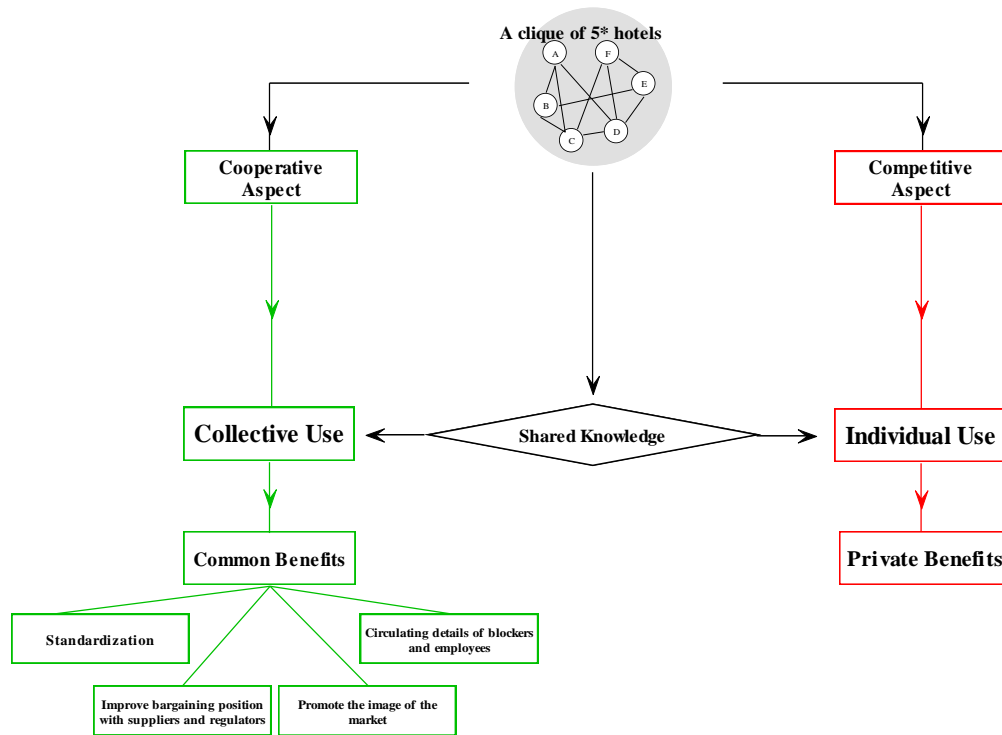
Figure 5.1 Knowledge sharing in a clique of competitors

Individual hotels existing within a clique cooperate with and learn from each other with the aim of acquiring a new and beneficial body of knowledge which contributes to their business. Simultaneously, individual members of the five star hotel clique compete with each other—seeking not only to emulate their colleague hotels exactly, but to surpass them in execution and delivery of a service—because, fundamentally, they remain rival organizations who are compared and evaluated on the basis of their ability to perform such functions, each vying for a larger share of the same market. The next section will present the common benefits that members gain from using their shared knowledge collectively, reflecting the cooperative aspect of the relationships among clique

members, as the main concern of this research is to discover how competing hotels cooperate through sharing their knowledge.

5.3.3. Common benefits

In the following section, several practices of cliquing which result in common benefits for those involved will be discussed in detail. The section starts by differentiating between external common benefits and internal common benefits. Following this, cliquing practices are discussed. The first practice to be discussed will be standardization which will cover the reasons behind the tendency of five star hotels to offer equal standards and similar services. The second practice to be discussed will be how cliquing improves the bargaining position of the hotels involved in relation to their suppliers and regulators. The third practice to be discussed will be that of image, which will include the promotion and maintenance of the prestige of their market. Finally, it will be shown how the clique's members assist each other by circulating information among themselves about employees and troublesome guests, ensuring their industry colleagues are aware of who is out there.

External and internal common benefits

Common benefits can be viewed as internal or external. External common benefits are related to the situation outside the clique and are achieved when clique members unify in order to deal with outsiders. One example of this is when the clique engages in bargaining with suppliers and regulators. This increases their bargaining power by demonstrating strength in their sharing of knowledge among themselves, which enables them to find better solutions in their dealings with these outsiders.

On the other hand, internal common benefits are associated with the internal environment of the clique. They are achieved when members of the clique unite in principle, though interpretation and implementation of the agreed course of action is carried out separately by each member. This can be seen when clique members share details of their innovations or discuss best practices within their market. Although all members of the clique may agree on the advantages of a particular new service at one hotel, or that a certain method of doing things is the best way, each member will adopt such suggestions at their own discretion, perhaps being limited by budget, hotel size or limited need.

5.3.3.1 Standardization

The five star hotel market has a tendency towards standardization as there is a need among the hotels to maintain certain levels of price and performance within the sector. No individual hotel will alter their prices, services, or levels of production without wondering how the other hotels will react to whatever they do. This engenders a form of interdependence among these five star hotels, with each subject to the behaviour and actions of the others. Whenever one hotel changes an aspect of their service, other hotels will react, usually by replicating the first hotel's action, which may be in certain circumstances disadvantageous for all of them. When hotels share their knowledge about their innovation and best practices, what can result is a standardization of services and prices. For example, one hotel introducing a new service. Once this new service has been introduced, the management at that hotel decides to increase their prices, using the existence of this new service as justification for the increase. If they do this independently, they may gain a few extra customers in the short-term due to the introduction of this new service, but, more likely, they will lose customers due to their

price increase because clients will go to other five star hotels which offer lower prices. Either way, this serves to create tension between them and their competitors. Therefore, instead of embarking upon this change to their services and prices independently, the hotel in question will inform its competitors of its actions; competitors will, as a result, also introduce a new service along the same lines and raise their prices accordingly. Such collaborative action limits the possibility of losing customers to hotels whose prices are more in line with the services they offer. This will again standardize services and prices as well as increase profits for all hotels in the market while enhancing their claims to elite status.

5.3.3.2 Improve bargaining position with suppliers and regulators

One of the reasons that competing five star hotels form a clique is to have a better ability to negotiate with government regulators and suppliers. Negotiation can be defined as "a cooperative enterprise; common interests must be sought; negotiation is a behavioural process, not a game; in good negotiation, everybody wins something" (Bright et al., 2001:557). This process of discussion is one wherein both sides attempt to use their influence to achieve their goals by sharing information, searching for solutions to common problems, and trying to persuade each other; the results of such a process depend upon both the issue under discussion as well as the personality and actions of the negotiators (Zhenzhong, 2006).

In the current study, competing hotels unite their voices to negotiate with industry regulators to protect their elite status. They are aware of that, for certain situations, working individually will not help. Porter (1985) asserts that one of the advantages of having relationships among one's competitors is that of facilitating bargaining with

labour and regulators. The introduction of the new law generated a wave of surprise amongst studied hotels. The law states that hotels must pay insurance for each contract they sign and if there is a breach of that contract, the amount will be deducted from the insurance. Five star hotels believe that they should be excluded from such law because they have their own rules and regulations which protect the customers' rights, and therefore argue that there is no need for them to be included in this law. One interviewee reports:

> "Recently, we got new instruction from the authorities that in Hajj season each hotel must pay insurance for each contract they sign, which is fifteen percent of the contract value. The reason for this is that if there is a breach of the contract, the amount is deducted from the insurance. Ok!! Why?? We are five star hotels. Our services are guaranteed and there are contracts between us and the companies. Who do you think would need to pay insurance?? People who work only in seasons need to pay insurance. There are people who rent a building, two or three or ten for three months, which the period of Hajj season. They rent these buildings to visitors during Hajj season only. Sometimes problems happen between those people and visitors for whatever reason. In order to insure visitors' right[s] in case of breach of contract, authorities ask those investors to pay insurance. But we are registered companies in the Ministry of Commerce and registered in the Chamber of Commerce. We are companies which have position and specific standards; we should not be involved in this. Therefore, a meeting was held among five star hotels and we had a debate around this issue to take a decision on how can we protect our right as five star hotels. And we decided to write to the authorities asking them to exclude us from this and explained our reasons." (Aiman)

Furthermore, negotiation may take place over two different types of situations: the first type is known as a 'zero sum game', whereby if one party gains, the other loses; the second type is known as a 'non-zero sum game', in which it is hoped that both parties can benefit from the results of the negotiations without being disadvantaged in any way (Lewicki and Litterer, 1985). The following is an example of the former type of situation.

> "The other day, we met to discuss the possibility of signing one contract package.
> I don't mean buying common goods and dividing them among us. I mean that all

the hotels select specific suppliers to deal with but each hotel signs its own contract. In this case, we're sure that we will get the same price because these suppliers know about our agreement. I know what I'm going to say may sound ridiculous but it's just to simplify the situation. So, for example, I deal with a supplier and I buy a tomato from him at three riyals [Saudi currency] and [a named hotel] buys it from him at two and seventy five and [a named hotel] buys it at three and twenty five. The supplier treats us unfairly." (Eiad)

The meeting discussed by the interviewee demonstrates one way in which a clique may use its power to bargain with suppliers: in this case for suppliers to have fixed prices for their products offered to others within the clique. Sometimes, a supplier offers the same product for a number of hotels at different prices, which is interpreted by the hotels as a fraud. Therefore, in order to overcome this disparity, the hotels decided to select specific suppliers for different products. They all know these suppliers and they sign contracts only with them. This common behaviour by all members of the clique serves to put pressure on suppliers to have standardized rates.

5.3.3.3 Promote the image of the market

During negotiations, partners in a negotiation situation may adopt one of five strategies, depending on the degrees of concern have for their own and their opponent's satisfaction. They can compete with the opposing party, accommodate their demands, compromise with them and share the difference, cooperate on the approach to solving the problem at hand or, simply, avoid negotiation altogether (Lewicki and Litterer, 1985). The following example shows that the clique not only uses its power to bargain with regulators and suppliers, but it also uses its power internally to protect the image of five star market (as can be seen, this example is one of accommodation as a result of negotiation). Porter (1985) theorizes that having relationships with competitors leads to an enhanced market image.

"Travel agents sometimes make deals with some hotels according to which they rent their hotels or part of their hotels for a specific period, such as the summer period. They open their office in the hotels and start to sell the rooms from the beginning of the summer holiday until the end. We call this 'allotment'. This gives a bad image to the hotels. Take for example, [a named hotel], [a named hotel], and [a named hotel—they used to do this before. But this really reflects badly on the other five star hotels and gives them a bad image. Sales managers discussed this with each other and concluded that hotels should not do this. We should sell to the source directly and not through travel agents. We debated this and we have all agreed to avoid this practice."(Fareed)

5.3.3.4 Circulating details of blockers and employees

In addition to improving their position with their partners inside and outside the industry, cliquing can also be seen at work when it comes to more day-to-day issues. The following case demonstrates how managers circulate details among their market colleagues about troublesome clients.

"Have you heard about blockers or trouble-makers in the market? There are some people who get involved in our industry only to play games with it. One of the companies we deal with, for example, is very bad with paying on time. Another example is a company now known for international fraud. I will give the example without mentioning the name, but a few years ago, a company from eastern Asia signed a contract with us in the Hajj season. They did not pay the last instalment. I passed this information to other hotels. The sales manager asked me about this company because I had dealt with it before. I warned him that this company did not pay the last instalment. If he has to deal with him, he should request payment in full in advance. Trouble-makers can be a company or an individual guest. For example, we had a guest who stayed in a very excellent room and he got good service, but he caused troubles out of nothing. The first time, I just put a question mark in front of his name. The second time, he came and caused a problem again out of nothing I considered him a trouble maker and passed his details on to other hotels. We cooperate in this. It's very natural for sales managers in other hotels to call our sales manager to inquire about a certain individual or company. And it is our duty to answer them very frankly and tell them whether they are good clients or not. We advise them to be careful when they deal with them if they have to. It's natural to swap this type of information among us." (Saher)

Furthermore, cliquing can be seen in a practice of circulating information about unwanted employees to find a way to terminate their employment fairly. Sometimes, hotels want to dismiss unwanted employees for such a reason as that they reach a stage

where the employees deserve a promotion which is unavailable for the hotel to fulfil. Hotels would worry this would lead to a decrease in the employees' performance because they are unsatisfied. In this case, the hotel cannot dismiss them without reason because of labour and employment laws, and also for fear of a reputation for unfair dismissal. In such a situation the hotel would circulate the employees' information to other hotels with the aim of finding them suitable employment elsewhere. Such a case is described by one of the interviewees:

> "An employee already finished five years of working at my hotel. He has reached the point where he deserves a promotion. But I don't have any available positions like that now. In cases like these, I call [a named human recourse manager] and say that I have an excellent employee but he needs to be promoted and I cannot promote him any higher. Do you need him? At the same time, [a named human recourse manager] calls me to ask about available positions at my hotel." (Saher)

Not only this, but clique members also gather information from each other on potential future employees who have worked at other similar hotels, specifically the hotels of other clique members. As a result, clique members can obtain the opinions of their peers on workers before employing them.

> "My job as a human resource manager requires that I make sure that he really worked there, and what his experience is, and his behaviour or any issues related to his working there." (Jaber)

5.4 Network

The literature demonstrates a common belief among some researchers that inter-organisational knowledge sharing is best facilitated by individuals working in different organizations (Kogut, 2000; Monge and Contractor, 2003). Such individuals create cross-organisational networks, which are of primary importance in facilitating knowledge exchange (Monge and Contractor, 2003). Such networks allow knowledge

to be accessed, and therefore, fresh ideas can be imported into organisations or be triggered by new ways of assessing current practices and circumstances. This, in turn, has the potential to lead to growth, development, and expansion for such organizations (Kogut, 2000; Mu et al., 2008). Networks are thus a key aspect of inter-organizational knowledge sharing (Kogut, 2000; Monge and Contractor, 2003). This is consistent with the findings of this study, which show that five star hotels share their knowledge through informal networks of hotel managers. Furthermore, it has been argued that through the presence of networks, tourism development may be promoted (Pavlovich, 2003).

These networks, according to Uzzi and Lancaster (2003), are not confined to a single organisation; rather, they encompass more than one organisation within a particular industrial sector. While it has been argued, however, that creating such networks and refining them to the point whereby they can facilitate knowledge sharing effectively is a time-consuming process—specifically, that the time it takes for knowledge to be channelled through such a network may be lengthy (Halme, 2001) —it is through the presence of such networks that organizations may be able to learn from others within the market, which can increase the capacity for innovation (Fadeeva, 2004). Furthermore, as it is relatively easy and natural for knowledge to be diffused through the process of networking (Skyrme, 1999), the investment of time in these practices should lead to rich returns.

According to the data, those who possess common professional experience, such as financial specialists, engineers or those involved in human resources, talk with each other about the challenges they face in their working lives and, through such

consultation, seek refined solutions and the discovery of knowledge and fresh ideas are generated (Arrow, 1999).

> "There is a meeting for financial managers at five star hotels every month. A group of managers get together to exchange monthly results and other such things. We pass on information, but not numbers." (Ashraf)

The more people who participate in these knowledge exchange activities, the more information is shared and the more fresh ideas are created. This leads to the creation of networks, which allow the benefits of such exchanges to become more apparent to those involved and, in turn, further increases the amount of knowledge generated.

5.5 Trust

Trust is considered a pre-requisite for the success of inter-organisational relationships (Alter and Hage, 1993; Dodgson, 1993; Narteh, 2008; Niu, 2010). Such inter-organizational trust encourages learning in collaboration (Dodgson, 1993), which brings about advantages through the increased exchange of inter-firm information and greater knowledge sharing (Niu, 2010). It also enhances allocative efficiency by facilitating the disclosure of confidential information (Sydow, 2000), reduces transaction costs (Sako, 2000) by decreasing the pressure for unilateral protectionist behaviour, and increases the probability that "newly acquired knowledge will be absorbed and retained" (Lucas, 2005:89).

Sydow (2000:32) claims that inter-organizational trust, which lies within inter-organizational networks, is assumed to:

- Support the formation of collective strategies;

- Facilitate the coordination of economic activities;

- Promote open exchange of information and inter-organizational learning;

- Ease the management of inter-organization conflicts; and,

- Hence, contribute to a significant reduction in transaction costs;

 - as well as open up opportunities for strategic action, enhance system stability, and, yet, support organizational change.

Sydow, also, (2000) argues that while inter-organizational trust has its pluses, there is a downside. While the aforementioned advantages are present, too much trust also has the potential to open doors to misconduct by increasing the temptation to manipulate colleagues. While this may not occur, such high levels of trust may be an obstacle to inter-organizational reform, their existence acting to as a barrier to progress by maintaining the current order.

Following on from the work of Mayers et al. (1995) and Shapiro (1987), Lucas (2005:89) defines trust as "the willingness of one party to be vulnerable to the actions of another party, and it is a function of access to information either through direct or indirect interactions". Vulnerability here is the existence of something of some degree of importance that may be lost. Making oneself vulnerable is taking risk (Mayer et al., 1995). Currall and Judge (1995) argue that trust involves behavioural reliance on another within the context of risk; i.e. trust is not so much the taking of a risk but the willingness to place oneself in a risky situation (Mayer et al., 1995). Sydow (2000:35) builds on the willingness and accompanying vulnerability to define inter-organizational trust as "the confidence of an organization in the reliability of other organizations, regarding a given set of outcomes or event", elaborating that his definition "takes into

account that one does not usually trust a person, an organization or another system in every respect (global trust) but only with respect to certain kinds of behaviour (specific trust)" (Sydow, 2000:35).

Various studies view trust as a condition of cooperation to occur; for example, in Agustero's (2009) study of library consortia in the Philippines, which investigated collaborative behaviour, trust is a major factor in the relationships between academic libraries, it being the basis for their choosing of partners. They collaborate with those they trust. Another example is a study from China; designed to discover the affects of social capital on knowledge flow within the country's software industry, its conclusion was that trust was a major catalyst for progress. Companies were able to acquire new knowledge as well as build upon existing knowledge through the open discussion of both technical and managerial issues in addition to the sharing of problems each firm faced during the development process (Mu et al., 2008). Furthermore, a study of four industrial clusters from the USA, China, Taiwan and Sweden aimed at discovering the effect on firms' knowledge obtaining practices of trust and cluster membership, showed that the three areas to be strongly linked, with trust the mediator between industrial cluster involvement and the gaining of knowledge (Niu, 2010).

Deakin and Wilkinson (2000) argue that trust plays a significant role facilitating relationships; however, the relative importance of trust varies depending on the type of relationship. Mayer et al. (1995:712-713) argue that "although trust can frequently lead to cooperative behaviour, trust is not a necessarily condition for cooperation to occur [...] you can cooperate with someone who you don't really trust" , a view that is in line with current study. In this study, trust is not always required for cooperation; hotels will

cooperate with each other whether there is trust or suspicion between them. In order to understand this, one should view the industry through game theory. Hotels are playing a game and each must compete to win; they do not and will never trust each other as they are competitors.

> "Although we know that we sometimes lie when we share information, we have tea together and share information about occupancy or other concerns, not all of it correct." (Amjad)

Put succinctly by Kee and Knox (1970:357), "cooperation, faith and confidence are often used synonymously with trust, while competition, resistance, and defensiveness are sometimes used interchangeably with suspicion". However, as cooperative strategies often mean mutual benefits, with both parties attaining goals neither could have achieved independently (Dodgson, 1993:79), Kee and Knox (1970) claim that there are many reasons why people act either cooperatively or competitively and that their actions do not necessarily mirror their trust in each other. The classic example of this is the Prisoner's Dilemma whereby all parties would reap common benefits from cooperation, whereas each party seeks to maximize their individual gain through competition. A person's behaviour may appear trusting or trustworthy, but this can mask other motives.

In the current study, trust is put aside as hotels cooperate in order to obtain both private and common benefits. Axelrod (1990:22) argues that, "under suitable conditions, cooperation based upon reciprocity can develop even between antagonists". He gives the example of the World War I trench practice of 'live and let live' whereby soldiers on either side of the line deliberately avoided fatal exchanges in the hope of staying alive. This behaviour was the result of stalemate, men following an endless deadly routine and, in the process, forging a silent understanding with the enemy to the mutual benefit of all

concerned. Cooperation is, therefore, possible in any conceivable situation whatever the trust or feelings of those involved.

Furthermore, cooperative strategies grant hotels to gain an access to each other and know what is going on in each other hotel – much like a game in which "each player knows every move that has been made by the other players before taking any action" (Waldman and Jensen, 2001:170). This can be seen when they share their creative practices, each hotel tells the other and waits for the other to tell them, and even details of their prices and salaries with each other ensuring that these hotels can maintain a certain average level of standards and costs.

> "They call me to ask what's new and I call them to ask what's new with them. They come to see our work, we go to see their work. I don't know how can I put this in words exactly, but it's like swapping ideas between each other." (Tamem)

Furthermore, as they are aware of the situation that trust does not exist, they put expectation that information they gain from each other is not completely accurate and they deal with it based on this expectation. They still want it as they can make use of it even if it is not hundred percent accurate.

> "No one tells the truth, including me. But if you are professional you can know how to make use of the information even if it is not one hundred percent correct. But we can all make use of this inaccurate information. I don't know how to explain this to you, but we can do some interpreting of the information we get and be very close to the reality of the situation." (Basem)

5.6 Oligopoly, game theory, and the five star clique

The economic behaviour of clique members can best be understood in the context of oligopoly theory and game theory, which will provide valuable insight into some of the collaborative and knowledge sharing practices discussed in this chapter.

5.6.1 Oligopoly Theory

An oligopoly is defined by Burgess (1989:153) as "a structure in which a few firms of relatively large size supply the market"; similarly, Parkin (2000:293) defines it as "a market structure in which a small number of firms compete". Given the fact that only a handful of companies are competing for the market share, a form of strategic interdependence exists between them; in consequence, these sizeable firms are strongly affected by each others' actions.

The actions, and consequent reactions, of all the players in the market have a considerable impact upon their acquisition and maintenance of market share and, accordingly, their profits. Therefore, a major element of company strategy within an oligopoly is devoted to considering how the firm's actions will be seen by others within the market as well as anticipating their reaction to decisions made (Friedman, 1977; Friedman, 1983; Burgess, 1989; Cabral, 2000; Sloman, 2006; Mankiw, 2009). For example, a firm which decides to alter its product, or increase its marketing budget, or unilaterally increase or decrease its prices, will be fully aware that this will have an almost immediate impact upon its rivals. The firm will already be anticipating the reaction of its competitors; retaliation may be in kind (an increase in price by one being met by an increase in price from the others), or in contrast (a change in product specification from one being met by an increase in the advertising of existing products from the others).

Sloman (2006) argues that within an oligopoly no firm can afford to ignore the actions and potential reactions of other competitor firms, given their strategic interdependence. With regards to the five star hotel industry, hotels are interdependent in the sense that,

internally, there is a tendency towards standardization and, externally, they are often confronted with common industry problems. In the case of the former, clique members believe in maintaining certain standards, hence the sharing of details relating to innovations and best practices (although implementation is at the discretion of each individual hotel).

As mentioned in the standardization section earlier, an individual hotel will not introduce a new service and raise prices to reflect this new service without consulting other clique members, given the possibility of being undercut on prices and losing customers to price competition. Instead, the innovating hotel will encourage all other members to raise prices according, thereby removing price competition. Also, given the availability of information within the oligopoly context, hotels often take the decision to average out prices and salaries as a way of ensuring customer loyalty and employee retention, which simultaneously reduces the need for considering and anticipating others' moves. In the case of the latter, the nature of the market means that hotels must maintain a united front and a consistent approach to certain issues.

This is demonstrated in common industry problems, such as the conflict between the Hijri and Western calendars, whereby the hotels must come to a common agreement on how they interpret and implement bookings over religious holiday periods. In addition, hotels must decide on a common policy towards foreign visitors requiring visas. In this case, they have to contend with the decisions and actions of various embassies, making it more difficult for them to anticipate behaviour. Therefore, a concerted approach whereby all hotels and visitors know where they stand is crucial to financial success.

As an oligopoly contains a number of competing suppliers, there exists an underlying tension between them; in other words, there is a conflict between the individual firm's self-interest and the collective self-interest of all the firms in the market (Mankiw, 2009). Accordingly, when it comes to strategy, oligopolists are often torn between the wish to compete and outdo their rivals and what are seen as the potential benefits of cooperation with other firms (Sloman, 2006).

In the case of the former, which could be considered the natural state of business, each firm is vying with others for a greater proportion of the market and, subsequently, a larger share of the industry's profits. In order to achieve this, a firm will increase production and/or reduce prices in order to gain more customers (Stigler, 1964; Friedman, 1977). An example of this is when one hotel wishes to engage in the practice of allotting. Allotting involves allowing a travel agency to block book a certain number of rooms at a price lower than the average market rate, and also, therefore, lower than the rates charged by other hotels. Other things being equal, this firm will benefit in the short term; however, what is more likely to occur is that other firms will attempt the same strategy, which will have the effect of increasing total production and/or decreasing the average industry price, thereby reducing profits for all the firms involved (Sloman, 2006; Mankiw, 2009). In other words, if all hotels engage in the practice of allotting, the average market rate will fall and all members of the clique will lose out in the long-run.

Most managers interviewed for the current study stated that this type of practice gives a bad image to the industry. It could be argued that such activity reveals an inability on the part of the hotel in question to generate business, as well as to have available rooms for

occupancy the whole year round, and, in addition, shows the hotel to be relying upon an outside organisation rather than its own merits to obtain clients, often to the disadvantage of customers. However, in the case of the latter, rather than seeking to gain from each others' losses, firms collaborate with each other by agreeing to a similar level of price and production in order to collectively maximize industry profits (Stigler, 1964). In other words, the supplier firms involved unite and act like a monopolist rather than several, independent oligopolists. The key feature of a monopoly is the power it has which is the result of the existence of only one supplier and, hence, the lack of any form of competition (Friedman, 1977; Friedman, 1983; Sloman, 2006). This allows those involved to charge prices above marginal cost as well as keep output to a minimum, meaning customers pay over the odds for a service (Sloman, 2006). In the case of five star hotel cliques, it is necessary to observe the high level of monopoly-style power they possess; hence, members of such a group are benefited when acting in unison. The incentive to cooperate rather than compete is, according to Clarke (1983), significant as by agreeing to restrict output and/or averaging prices at a level above marginal cost, industry profits for each firm individually and for all firms collectively will be higher over the long-term than if firms act independently of each other.

5.6.2 Game Theory

The optimum outcome for a group of oligopolists is that which is similar to a monopoly; in other words, members of a clique can benefit the most when they act as if they are the sole provider in a market, as this removes competition for guests and hence market share. In order to achieve this end, cooperation between oligopolists is necessary; however, this is easier said than done. Game Theory, specifically its prime thought-experiment the Prisoner's Dilemma, illustrates the difficulties of cooperation (Mankiw,

2009) and can be applied to an oligopolistic market when it comes to explaining the actions and anticipated reactions of firms who are fully aware of their interdependence within a particular market (Parkin, 2000).

In the Prisoner's Dilemma, players must decide whether to cooperate with or compete against each other—mirroring two prisoners who must decide whether to confess to a crime or remain silent. If we say that each player is a firm within an oligopolistic market, whereby each maintains the sort of interdependent relationship with each other detailed above, each firm must choose a business strategy—either that of cooperating with rivals or that of remaining independent, both of which seemingly have their benefits. Once the framework of an agreement has been established, the firms have two moves available to them: cooperation or acting selfishly. Each firm will gain something if they all choose to stick to the agreement; however, if one reneges while the others honour the agreement, the reneging party will benefit as, other things being equal, acting in one's own interest yields a higher payoff than cooperation (Axelrod, 1990; Parkin, 2000; Waldman and Jensen, 2001; Begg et al., 2005; Mankiw, 2009). For example, if a minimum price for a particular service among a group of hotels has been agreed to and one hotel then decides to offer that particular service at a lower price, that hotel will attract more customers and obtain a greater market share for however long the situation persists.

However, there is no guarantee that only one firm will decide to ignore such an agreement (Stigler, 1964). In the case of all firms acting in their interest, all will be worse off than if they had all acted in cooperation. For example, if an agreement between hotels stipulates a minimum price for a service and none of the firms honour the

agreement, with all offering the service at a lower price than agreed, the average price for the service in question will fall and all hotels will see a consequent decrease in revenue and, therefore, profits.

Figure (5.2) shows how game theory works with just two players, in the classic example of the Prisoner's Dilemma. One player chooses an option, either cooperation or defection, while the other player simultaneously chooses from the same options. Together, these choices result in one of the four possible outcomes shown in the matrix. If both players cooperate, both gain, receiving R, the reward for mutual cooperation, which is equal to 3 points. If one player cooperates but the other defects, the defecting player gains a greater reward (T) than they would have received for cooperating, which equals 5 points, while the cooperating player gets what is known as 'the sucker's payoff' (S), which is 0 points. If both players defect, both receive the punishment (P) for mutual defection, which, while not as low as 'the sucker's payoff', is equal to only 1 point (Axelrod, 1990).

		Column Player	
		Cooperate	Defect
Row Player	Cooperate	R=3,R=3	S=0,T=5
	Defect	T=5,S=0	P=1,P=1

Figure 5.2 The Prisoner's Dilemma

Source: (Axelrod, 1990:8)

The original purpose of the Prisoner's Dilemma example is, as the name implies, to analyse the choices available to, and predict the decisions of, two prisoners suspected of committing a crime. Although they have been arrested, the police lack sufficient

234

evidence for a conviction and, through interviewing the suspects separately, hope to elicit a confession from either one or both of them. Both prisoners are offered a plea bargain, whereby they will be given lighter sentences if they admit their guilt. Due to lack of proof, if both prisoners remain silent, they will both receive only a short sentence on a minor charge; on the other hand, if they both admit their guilt or blame each other, they will both receive a medium sentence. However, if one prisoner agrees to testify against the other, the one who speaks will be released whereas the one who remains silent will receive a full punishment for the crime (Parkin, 2000; Waldman and Jensen, 2001; Begg et al., 2005; Mankiw, 2009). Given this context, logic would dictate that the prisoners cooperate; one may even assume that beforehand the criminals would have discussed their strategy in the event of them being arrested and agreed to remain silent.

However, under the pressure of interrogation, or simply to save themselves and hopefully avoid punishment, one prisoner may turn against the other, or both may turn against each other as survival instincts begin to cloud both prisoners' minds. In the case of the former, turning against the each other, it is only to the detriment of the one who keeps quiet whereas the other will benefit and go free; in the latter situation however, both are disadvantaged by their pursuit of self-interest, when cooperation would have served them better.

Such a theory can be applied to firms in an oligopolistic market context and can demonstrate the tension between competition and cooperation that is such a major element of their interdependent relationships (Mankiw, 2009).

5.6.3 How does the Prisoner's Dilemma relate to the theory of oligopoly?

Whether it is two prisoners trying to avoid a conviction or a group of oligopolists seeking to become a monopoly in all but name, players of either game face the same options and choices (Lipczynski and Wilson, 2001; Mankiw, 2009). In both the original Prisoner's Dilemma and the situation facing competing hotels, all players are subject to strategic considerations and are aware of the appropriate individual actions to be taken by, first, imagining all the possible options, and, second, seeking a balance, whereby the behaviour of those involved appears consistent (Friedman, 1977).

Take, for example, several firms within a particular market. The aim of all these firms is the same—to make as much profit and control as great a share of the market as they can. Usually, these firms are competitors, but they realise that through cooperation, they can together achieve their aims of profit maximization and near market dominance by agreeing to restrict production and/or to observe average pricing practices. Through negotiation, this clique of hotels will generate a framework, whereby they can control the market. Central to this negotiation is the aforementioned strategic awareness of each party, whereby they will be anticipating the behaviour of their competition within a logical framework.

Once the agreement has been made, each hotel must implement it, and it is at this stage that members of the clique may back out of the agreement. What will happen as a result of the agreement breaking down depends on the specific actions of the firm that has chosen to forgo the agreement, as well as the reaction this elicits from other members. If, for instance, that firm makes the decision to produce in excess of the agreed quota and, as a result, all the firms party to the agreement respond by doing the same, the

market price of the good or service in question will fall and all the members of the clique will see a consequent decrease in profit.

What this illustrates is that, although the monopoly outcome is both logical and beneficial to all the members of the clique within an oligopoly, there remains incentive to for any party to break the agreement (Stigler, 1964). As a result of being driven by the same instinct for self-preservation as the dilemma's two namesake prisoners awaiting interrogation, an instinct that may eventually lead to confessions (Sloman, 2006; Mankiw, 2009), it could be deduced that members of the clique will be unable to attain the outcome of the monopoly they so desire, that of limited production and artificially high prices, within the context of an oligopoly.

However, the key difference between the suspects and the businessmen is that the former are playing a one-off game whereas the latter are investing for the long-term (Mankiw, 2009). This is particularly true in an industry such as the five star hotel industry, as such businesses make profits over a period of years rather than months or weeks. It should be noted that even in the extreme case of two prisoners seeking freedom, cooperation is not impossible, although unlikely to occur in a one-off context. In a game of repeated Prisoner's Dilemma, there is a higher probability of a successful outcome based on cooperation. However, in the case of one-off production there is no incentive for any party to stick to the agreement as, other things being equal, each would see increasing their level of production as increasing their revenues. However, if the game is played on a regular basis there is a long-term incentive to cooperate. In other words, as long as those playing the game have an eye on future returns rather than

merely immediate gains, cooperation is not just possible but both highly beneficial and highly likely.

In addition, one party reneging on the agreed framework may face punishment by the other members; if the party in question raises production, all other parties may do the same. As this is to the detriment of all firms in the long-run, and given the ease of enforcing such a retaliatory action, the possibility of this happening is usually sufficient to keep the members on board (Axelrod, 1990; Mankiw, 2009).

5.7 Summary and implications for research

This chapter has presented the background theory of the research as well as the third phase of the literature that focuses on the formation of a clique of five star hotels despite the fact that they are competitors. The research discussed has suggested that this noteworthy phenomenon of a clique amongst business organizations is perhaps due to a more dense connection among certain business versus others in the industry as a result of repeated interactions over time (Rowley et al., 2004). Furthermore, such similarities have been shown to increase communication and knowledge sharing (Cummings, 2003) because the members consider themselves to endure analogous conditions and circumstances (Festinger, 1954), which can lead to group formation model suggests that groups form in society because different members of that society as the members are viewed as better-informed than those who might have differing beliefs (Suen, 2010). For this present study, this would imply that such a formation takes place within the context of an oligopolistic market structure. Moreover, the key features of this type of market include few suppliers, a strategic interdependence between these competing suppliers,

and a state of tension between what actions will benefit them individually and what will benefit the industry as a whole.

In addition, as outlined by (Axelrod, 1990; Mankiw, 2009), this would also mean that the shared knowledge that each hotel gains through the knowledge based cooperative practices that take place among them can be used both on an individual basis by each of the firms involved, whereby they each attain private benefits, as well as collectively, through the attainment of collective advantages as an industry. For organizations in this study, these collective advantages benefit all clique members, and include areas such as standardization, in which the hotels align their service levels and average out their prices; bargaining, the use of which enables the hotels to unite with the aim of negotiating with outside bodies, such suppliers or industry regulators; and image promoting, whereby the members discuss how they might best promote the image of the five star hotel market.

Finally, the research highlights the importance of a long-term strategy which is crucial in knowledge sharing within competitive environments where the Prisoner's Dilemma is superseded by the common goal of survival (Axelrod, 1990; Mankiw, 2009). For five star hotels in Saudi Arabia, this means that they assist each other by circulating amongst themselves details of employees who they wish to market to their fellow clique members, as well as information regarding troublesome clients. The latter is an ideal example of Axelrod's (1990) contention that antagonists may achieve cooperation based on reciprocity given suitable conditions. Therefore, the reasoning for these forms of cooperation in the Saudi religious tourism industry lies in the underlying features of an oligopoly.

There exists an interdependence between five star hotels, which stems from the fact that there are few of them, each with a large share of the market. As a result, each hotel must navigate the conflict between the wish to compete and do what is necessary to increase market share and maximize profits independently, and the possibilities of cooperation with other, similar hotels, which—when such cooperation is adhered to amongst all members of the clique—can jointly maximize profits through the inflation of prices.

Mankiw (2009) notes that perceived self-interest is the primary reason for non-cooperation, and the data from the present study would imply that this non-cooperation manifests itself most clearly in dishonesty for this population. While the recognition of such dishonesty can have implications for trust within the clique, the long-term goals of members means that cooperation will still occur, albeit with perhaps slightly altered levels of trust, allowing all parties to reap the collective benefits of collaboration and knowledge sharing.

Chapter 6 — Conclusion

6.1 Introduction

This concluding chapter will discuss the relationships among the factors outlined in this study that relate to knowledge sharing among five star hotels in the Saudi Arabian religious tourism and hospitality industry. It will first review the research question and objectives, and present a summary of the findings in order to demonstrate how the findings have satisfied the research objectives and what implications these may have for concepts of knowledge sharing. Second, this chapter will consider this research's contribution to the body of knowledge and how any new theoretical perspectives may relate to previous findings in this area of research. Third, it will identify the implications of the research. Finally, an identification of the limitations of this research will be presented along with suggestions as to how further research could build upon these findings.

6.2 Summary of findings

As mentioned in the introduction, this research set out to answer the following research question:

In what ways do competing hotels in the religious tourism and hospitality industry in Saudi Arabia cooperate through knowledge sharing?

In order to answer the research question, this project addressed the following research objectives:

- To investigate the nature of relationships among hotels in the religious tourism and hospitality industry in Saudi Arabia.

- To identify the membership characteristics of the actors.

- To identify the cooperative practices, which take place among them, focusing on knowledge based practices.

- To identify conditions under which the identified cooperative practices occur.

- To identify channels through which the identified cooperative practices occur.

- To identify factors contributing to the identified cooperative practices.

- To develop a theoretical model to explain how these hotels cooperate through sharing their knowledge.

The following paragraphs discuss the findings of the research against each of its objectives.

The first objective concerned the nature of relationships among hotels in the religious destination of Saudi Arabia. The data gathered for this research showed that the relationship among them have two aspects, which are both cooperative and competitive. Furthermore, the key characteristic of their relationship is the tension between cooperation and competition.

Research has demonstrated that effective sharing can take place through informal accesses, such as personal relationships, social networks, and communities of practice (Pan and Scarbrough, 1999; Ipe, 2003; Cummings and VanZee, 2005). Al-Hawamdeh (2003) argued that informal learning processes are perhaps the best way to share knowledge. Indeed, the relationships among these hotels can be described based on the data as informal. Informality refers mainly to the fact that such relationships are not established or maintained by any written agreement, but it also relates to the fact that these organisations were inherent competitors and that they balance competition with the

sharing of knowledge. As this study mainly focuses on cooperation through knowledge sharing, the focus was on cooperative aspects of the relationships.

The second objective concerned the membership characteristics of the actors. The gathered data revealed that the relationships take place among hotels which are rated as five star. Furthermore, this finding suggests the existence of a clique comprised of five star hotels in the religious hospitality industry in Saudi Arabia. A clique here is defined as a "small group of firms, more densely interconnected to one another than to other firms in the industry network, and reproduced over time by repeated interactions among a set of firms" (Rowley et al., 2004:454). Although five star hotels constitute an informal clique, membership is by no means arbitrary and entry is guarded and restricted to members who are determined by three key factors: similarity, competition, and hotel status.

The data from this study has demonstrated that similarity among hotels, which is primarily based on targeting the same market of customers and attracting similar clients, encourages communication between them. This finding is supported by Adam's (1965) Equity Theory, which states that similarity in groups can also foster competition because it is a basis for an equity in comparisons. As a result of their common approaches, five star hotels only maintain professional relationships with other five star hotels in an effort to limit their cooperative behaviour to those within the clique. Past research has highlighted the importance of a long-term strategy, which is crucial in knowledge sharing within competitive environments where common goals stemming from shared perspectives are an aspect of the Prisoner's Dilemma such competitors must face (Axelrod, 1990; Mankiw, 2009). Furthermore, the principal objective in having these

links is business retention by ensuring the loyalty of their shared client base and focusing, in harmony, on their target market.

More specific than star rating, hotels that offer similar services and endeavour to maintain standards consistent with that of their competitors logically perceive similarity between themselves. Quintessential five star hotels offer a selection of prestigious services and their services are in a similar price range, with similar standards of service (Davidson et al., 2001). These exclusive factors create an environment in which the self-preservation aspects of the Prisoner's Dilemma are set aside and clear efforts towards cooperation are made as they all attempt to navigate the market (Parkin, 2000). Concepts in game theory are uniquely relevant to the current study given individual contribution to knowledge sharing and their desire for self-preservation and survival, which are basic tenets in game theory (Friedman, 1977). In addition, the existence of common problems and concerns also acts as a stimulant for communication, whereby clique members pool their knowledge in order to find collective solutions. Tichy (1973) has identified the reason for such interactions within cliques and proffers that such cooperation is in actuality based on a form of exchange, whereby all members must give to in order to take from the collective. As a result, game theory and its relevant concepts could potentially reorient the writings of knowledge management in ways that focus on group membership and self-identification, and how such factors might be influential in cooperation or non-cooperation in knowledge sharing.

Competition is the second factor that contributes to the creation of such a clique. This factor relates to similarity in the sense that the very nature of competition requires the targeting of the same market; in other words, hotels with similar requirements,

resources, and objectives tend to compete with each other. In turn, this competition motivates them to establish relationships and communicate with each other. This finding is in line with Axelrod's (1990) contention that antagonists can cooperate when there is reciprocity under suitable and acceptable conditions. The data presented in this study has demonstrated that competition encourages five star hotels in the Saudi religious tourism industry to have relationships with each other as such interaction provides them with information on activities and strategies. This information serves not only to gain ideas for improvement, but also to determine who their competitors really are, and their rankings in relation to one another, and thereby cementing their oligopoly. This finding closely relates to Suen's (2010) group formation model that these organisations prefer to interact with each other rather than others because they trust each other to know their industry and market better than any outside organisation.

The previous point of group formation would suggest that the research data gathered in the current study reveals that the concept of status, which allows elite hotels to be identified, stems from two main elements: performance and clientele. It can be seen here that both internal and external factors thus shape the elite identity of five star hotels. Alvesson and Robertson (2006) argue that elite status requires first a group of others that are a significant population, and second, an element of confirmation regarding such status. The internal factor, performance, requires the approval and support of the external factor, clientele, for its improvement as they clientele are directly affected—and attracted—by performance. Equally, performance is reflected in the service offered to clients. As part of the service industry, the performance of employees and the experience of clients are linked; this service, when polished, perfected, and publicised creates the

image under which the hotel operates. Supported by the theory of Alvesson and Robertson (2006), it is evident that clientele is a fundamental feature of status in that it is their approval which validates the performance and service of the hotel employees and management.

The third objective concerned the cooperative practices which take place among the hotels in the region, focusing on knowledge based practices. As there is a dearth of empirical research to date on the issues of knowledge management in the tourism industry (Cooper, 2006; Hallin and Marnburg, 2008), the findings of the present study regarding the concrete practices of such organisations are outlined in detail in the following paragraphs. The discussion focuses on the more practical contributions the study can make to the body of knowledge on knowledge sharing practices within the tourism industry as a whole and within the religious tourism sector in Saudi Arabia specifically.

The data has revealed that despite the competition amongst five star hotels as businesses, various forms of knowledge sharing take place among them. The five knowledge sharing practices identified in this study include: problem solving, the sharing of creative ideas and practices, price determination and finance-related issues, the determination of salaries and employment-related issues and, finally, the determination of market position.

In the case of problem solving, the discussion must begin from the premise of the types of problems these hotels have which require solutions. In short, there are two types: industry-wide and hotel-specific. As expected, industry-wide problems affect all hotels in some way, whereas hotel-specific problems relate to particular issues concerning an

individual hotel. In the case of the former, such problems could be detrimental to the industry as a whole, even impacting on the image of the sector. Therefore, it is clear to see why the hotels feel an inclination to get together and find solutions to such issues promptly. However, in the case of the latter, the inclination may be the opposite, as hotels seek to limit the damage to their individual reputation by not revealing their problems to their competitors. The data nevertheless reveals that there still exists a wish to share experiences with the aim of finding solutions to rectify such issues.

When it comes to sharing creative ideas and practices, it is the similar business practices of five star hotels that encourage sharing successfully adopted methods and innovations in such areas as services, training programs for staff. Discussions here focus on what services the various hotels offer, how they have been received by guests, whether such ideas would be appropriate for the others to utilize, and how they can go about implementing such practices according to their circumstances. In addition, a need for standardization is often identified due to the aim of maintaining certain levels of service and price, as no one hotel will alter these standards without consideration of how their competitors will react.

With regard to determining prices and discussing issues of finance, pricing practices are based on the information exchanged among the hotels in order that they do not breach the market average, that is, either overcharging or undercharging guests. In addition, there are benefits to be reaped from maintaining a tight control on the market, a position which affords the hotels much leverage with regards to pricing. In other words, they possess the ability to charge clients very high prices whilst knowing they will not lose business on the basis of price to their fellow competitors as they are charging prices of a

similarly high level. Furthermore, such a practice enables the hotels to engage in collective bargaining when it comes to dealing with suppliers and other associated businesses.

In relation to the determination of salaries and the discussion of employment issues, five star hotels share their knowledge in three areas: the setting of salary policies, the hiring of new workers, and the dismissal of current employees. This allows them to keep salaries within range of the market average, so that they do not overpay employees, and therefore lose money, or underpay them, which might leave workers feeling undervalued and motivated to seek employment elsewhere. Furthermore, knowledge sharing in this regard enables hotels to gather information on potential future employees who have worked at other similar hotels. Such a practice can also assist current senior employees, many of whom have outgrown their current roles, to progress further by marketing them to their associates. This avoids potential costly litigation due to unfair dismissals as well as preventing the hotel from gaining a bad reputation in this respect, which could jeopardise future job applicants.

Finally, we observe cooperation among five star hotels in relation to the determination of market position. This occurs when competitors regularly, often daily, exchange details of average room rates and occupancy percentages in order to evaluate their relative market position with respect to their clique colleagues. Such information is also used to evaluate the level of service at each hotel as well as to rate the professionalism of their employees in all areas. From this knowledge, hotels can identify shortcomings in their operations and labour and, subsequently, take action to improve their future

competitiveness by targeting areas of weakness for additional attention and improvement.

The fourth objective concerned the conditions under which the identified cooperative practices occur. The discussion going forward focuses on the more theoretical contributions the findings of the present study might have to the body of knowledge on knowledge sharing in the tourism industry. It adds to the previous discussion on exploring the conditions of how and why cooperation of the clique occurs within this competitive environment. Thus, the findings lend insight into the motivations for sharing knowledge in the religious tourism industry in Saudi Arabia, while having wider implications for knowledge sharing in the industry as a whole.

The gathered data showed that cooperative practices occur under the condition of the need to benefits. That is "partners can together obtain mutual benefits which they could not achieve independently" (Dodgson, 1993:79). There are situations where clique members find themselves in a place where they need to share their knowledge. As their relationship implies two aspects of cooperation and competition, sharing knowledge leads to gain common benefits and private benefits. There appear to be common benefits when they use their shared knowledge collectively and private benefits when they use it individually. As the main concern of this study is cooperation, only common benefits were identified, of which there are four.

The five star hotel market possesses a tendency towards standardization. This is the result of the need among the hotels to maintain certain levels of price and performance within the sector. No individual hotel will alter their prices, services, or levels of production without investigating how the other hotels will react to such changes. This

creates a form of interdependence among these hotels, with each hotel subject to the behaviour and actions of the others. Whenever one hotel changes an aspect of their service, other hotels will react, usually by replicating the first hotel's action, which may be in certain circumstances disadvantageous for all of them. When hotel share their knowledge about their creative practices, what can result is a standardisation of services and prices.

One of the reasons that competing five star hotels form a clique is to improve their ability to negotiate with suppliers and industry regulators. Negotiation is a process of cooperative behaviour, articulated as discussion, which is based on common interests and shared goals (Bright et al., 2001). The parties involved will attempt to influence and persuade each other, share knowledge and information, and look for solutions to major problems and obstacles. In the current study, competing hotels unite their voices to negotiate with suppliers and industry regulators in order to obtain competitive prices and protect their elite status. They are aware that, in certain situations, working independently will be to no avail; therefore, maintaining relationships with competitors facilitates bargaining with suppliers and negotiating with and influencing regulators.

The clique not only uses its power externally to bargain with regulators and suppliers, but also internally to protect the image of the five star hotel market, which is enhanced through the maintenance of relationships with fellow competing five star hotels. The data illustrates this clearly when it comes to the clique's lack of support for the practice of allotment. This is when, for example, travel agents make deals with certain five star hotels to rent out parts of the hotel for a season and charge their own rates. Other five

star hotels, however, view this strategy as creating a bad reputation for the industry and wish to see an end to it.

A final benefit of cooperation in knowledge sharing practices revealed in the data regards the trend of hotels circulating details about 'blockers'—individuals or agencies that cause troubles or financial problems for the hotels. The marketing of current employees to clique colleagues in order to find a way of legally and fairly terminating their employment is also observed in the data. This occurs when employees reach a level where they are eligible for promotion, but their current employer has no suitable vacancies for them. Therefore, because of the restrictions of employment law as well as the hotel wanting to avoid a reputation for unfair dismissals, employers try to find such workers a job at another, similar hotel. Not only this, but clique members also gather information from each other on potential future employees who have worked at other similar hotels, specifically the hotels of other clique members. As a result, clique members can obtain the opinions of their peers on workers before employing them.

The fifth objective concerned channels through which knowledge based practices occur. Here, the discussion again speaks to how knowledge sharing is operationalised through the informal networks created among managers who work at these hotels. Therefore, communication among five star hotels is carried out through informal social interactions, which are based on the common backgrounds of members of the hotel's finance, human resources or engineering departments. Research has shown the importance of such informal networks as being a key aspect of inter- organizational knowledge transfer (Kogut, 2000; Monge and Contractor, 2003). The purpose of having these communications based on professional experience is to share knowledge of operations

and problems within these areas as well as help find appropriate solutions and strategies. In addition, such networks are key in the development of the tourism industry overall and, as a result, a focus on informal networks would be vital to any attempts to define knowledge sharing in this industry (Pavlovich, 2003).

The sixth objective concerned factors contributing to the identified cooperative practices. The findings reveal that five star clique members sometimes withhold information or spin its meaning because either they consider this a valid business technique, or when they fear to lose their good reputation in telling the truth. Although this may affect the trust among them, they still share their knowledge because of all parties would reap common benefits from cooperation (Axelrod, 1990; Waldman and Jensen, 2001; Begg et al., 2005). Hotels cooperate at whatever the level of trust is, because cooperation is the best solution for all to gain benefit such as cooperative strategies grant hotels to gain an access to each other and know what is going on in each other hotel. This finding is supported by the literature because, as Luo (2004) has stated, organisations must adopt the cooperative-competitive approach in order to succeed. This paradoxical relationship is embedded in the flows of knowledge and information (Bouncken and Pyo, 2002), even if such sharing of information may occasionally involve an element of withholding or mis-information.

The last and seventh objective concerned deriving a theoretical model to explain how these hotels cooperate through sharing their knowledge. The theory of this research focuses on the formation of a clique of five star hotels despite the fact that they are competitors. Such a formation takes place within the context of an oligopolistic market structure. The discussion of this element previously has made mention of game theory

and how it relates to this aspect by using the example of the Prisoner's Dilemma (Parkin, 2000; Waldman and Jensen, 2001; Begg et al., 2005; Mankiw, 2009). However, at this point in the discussion, the focus turns to uncovering the circumstances that create this dilemma in the tourism industry. By identifying the key features that may cause cooperation among competitors, the findings may be helpful in expanding discussions of knowledge sharing as it relates to game theory.

Based on the current findings, the key features of this type of market include few suppliers, a strategic interdependence between these competing suppliers, and a state of tension between what actions will benefit them individually and what will benefit the industry as a whole. The shared knowledge that each hotel gains through the knowledge based cooperative practices that take place among them can be used both on an individual basis by each of the firms involved, whereby they each attain private benefits, as well as collectively, through the attainment of collective advantages as an industry. These collective advantages benefit all clique members, and include areas such as standardization, in which the hotels align their service levels and average out their prices; bargaining, the use of which enables the hotels to unite with the aim of negotiating with outside bodies, such suppliers or industry regulators; and image promoting, whereby the members discuss how they might best promote the image of the five star hotel market. Finally, they also seek to assist each other by circulating amongst themselves details of potential and unwanted employees whom they wish to market to their fellow clique members, as well as information regarding troublesome clients.

The reasoning for these forms of cooperation lies in the underlying features of an oligopoly. There exists an interdependence between five star hotels in Saudi Arabian religious tourism industry, which stems from the fact that there are few of them, each with a large share of the market. As a result, each hotel must navigate the conflict between the wish to compete and do what is necessary to increase market share and maximize profits independently, and the possibilities of cooperation with other, similar hotels, which—when such cooperation is adhered to amongst all members of the clique—can jointly maximize profits.

It has been noted that perceived self-interest is the primary reason for non-cooperation, and the data demonstrates that this non-cooperation manifests itself most clearly in dishonesty within this population. While the recognition of such dishonesty can have implications for trust within a clique, the long-term goals of members means that cooperation will still occur (Mankiw, 2009), albeit with perhaps slightly altered levels of trust, allowing all parties to reap the collective benefits of collaboration and knowledge sharing.

6.3 The theoretical contribution

Recently, researchers who focus on knowledge management in this industry have stated: "Knowledge management for tourist destinations is only discussed partially, without a theoretically and practically useful framework" (Grizelj, 2003:373). For the tourism and hospitality sector, a broader and deeper approach to knowledge management theory is essential if researchers are to confront, address, analyse and evaluate the inter-organisational issues effectively. This is especially true when considering the flow of knowledge within inter-organisational networks. This study attempts to fill the gap in the

body of knowledge by addressing the need for a theoretical as well as a practical framework for understanding knowledge-based concepts in this sector. Firstly, it is an empirical study in a field where there is a lack of empirical studies focusing on knowledge management issues, despite the fact that the tourism and hospitality industry is a highly knowledge-based industry. Secondly, the conclusions drawn from the findings can produce a theory that focuses on industry issues from an inter-organisational perspective. Cooper (2006) calls for this type of theorising in the tourism and hospitality field because the conventional view that knowledge management is only applied within a single firm, rather than also being applicable across organisations, is outdated.

An additional and significant contribution this research may have is a proposed theoretical knowledge sharing model. First, the addressing of knowledge sharing issues, taking into account the tension between cooperation and competition, which is a major aspect of the relationships between interdependent firms within a market structure such as the oligopoly identified in this study. These interdependent firms form a veritable clique that is based on their shared experiences and similarities (Rowley et al., 2004). Such a finding is significant because the proposed theoretical model of this research places great emphasis upon the existence of cooperative-competitive tension in that it explains how hotels, which are involved in such competitive-cooperative relationships, use their shared knowledge in two ways: collectively, in order to gain common benefit (which reflects the cooperative aspect of their relationships); and individually, in order to gain private benefit (which reflects the competitive aspect of their relationships). This model relates most closely to elements of game theory, and in order to explain the

behaviour of this five star hotel clique when sharing their knowledge, oligopoly theory and the Prisoner's Dilemma are used as a basis for the analysis (Parkin, 2000; Waldman and Jensen, 2001; Begg et al., 2005; Mankiw, 2009). With regards to the former, although members of the clique are competitors, five knowledge sharing practices were found to take place among them. The competitors choose to cooperate through knowledge sharing as they are part of an oligopolistic market structure characterised by strategic interdependence and the navigation of a tension between competition and cooperation. This would mean that further explorations into knowledge management in the tourism sector, which is notorious for having this paradoxical cooperative-competitive atmosphere, would do well to consider exploring foundational theories like game theory to further explain the nuances of information flow in the sector (Bouncken and Pyo, 2002; Kahle, 2002).

The second contribution of this model is the employment of economic theories to explain the way in which inter-organizational knowledge sharing occur. The notion of knowledge management is relatively new and thus the discipline tends to use framework available in other disciplines (Easterby-Smith and Lyles, 2003). The way in which knowledge sharing occurs has been described using different theories such as communication theories (Shannon and Weaver, 1949) and organizational learning theories (Szulanski, 2000). As is shown in the Prisoner's Dilemma, there are short-term gains to be met by agreeing to one course of action and then following another as long as other firms do not follow the same course (Parkin, 2000; Waldman and Jensen, 2001; Begg et al., 2005; Mankiw, 2009). For example, a hotel claiming it will offer a fixed

number of rooms at a certain price and then reneging on its pledge by increasing the number of rooms stands to profit at the expense of competitors.

However, the same theory illustrates the mutual benefits of cooperating, which works to build bridges and create a basis for long-term success; if all hotels honour their pledges to offer a fixed number of rooms at a certain price, then this will keep the market artificially inflated, to the benefit of all the firms involved. Accordingly, similar to the behaviour of those more likely to emerge successfully from the Prisoner's Dilemma, hotels choose to cooperate because is a better long-term strategy than seeking to divide the market through competition (Parkin, 2000; Waldman and Jensen, 2001; Begg et al., 2005; Mankiw, 2009). This is particularly true when it comes to the long-term relationship shared by competing hotels within a region, as such choices about cooperation or non-cooperation will present themselves to the hotels every season and become a more practical and economical aspect of their business behaviour. A hotel that has reneged on, for example, a pricing agreement by reducing its room rates may be punished by its competitors with permanently low prices, thus reducing future profits for all involved and preventing the errant hotel from making one-off gains of this sort again. In addition, other forms of punishment may include other hotels refusing to refer business to the errant hotel, not cooperating with them on internal matters, an end to the sharing of certain kinds of knowledge or, in extreme cases, exclusion from the clique.

However, as all participants are long-term investors in these relationships, making profits over periods of years rather than months, the best strategy to follow is that which will ensure long-term returns. As a result, the findings here can be relevant to economic models in the tourism industry, thereby making knowledge sharing behaviour and any

such research along the lines of knowledge management, a critical consideration when assessing organizational profitability.

Finally, this project draws research attention to the religious tourism and hospitality industry in Saudi Arabia by the development of a theory which explains how cooperation through knowledge sharing occurs among hotels in the religious tourism and hospitality sector in Saudi Arabia. This destination has recently become the focus of worldwide attention in terms of business and investment, but it is for the most part neglected in terms of research and the only studies taking place focus on the collection of tourism statistics. Such research is conducted by the Central Department of Statistics and Information or by the Tourism Information and Research Centre, which is part of the Saudi Commission for Tourism and Antiquities. This research project claims to be the first empirical study focused on knowledge sharing in the religious tourism and hospitality industry in Saudi Arabia and it provides a new perspective that encourages further exploration into more comprehensive topics.

6.4 The methodological contribution

Another contribution of this research is that it provides a practical example of the application of Grounded Theory in a short-term research project by integrating its main guiding principles into a simplified four stage model: theory development; progressing from uncertainty to emergence; ambiguity resolution; to the final maturity. The four stage model that was devised was useful in identifying a clear process for the research design and in placing boundaries on the issues that should be dealt with within each of the phases of research. This involved the development of a framework for integrating various elements and principles of Grounded Theory into different stages, in such a way

that they aimed at the resolution of the challenges in each phase. By doing so, it acted as a vehicle for making sense of the elements of ambiguity in the early stages and allowed for clearer outcomes at each stage, leading to the increased consolidation of the emerging conceptual and theoretical frameworks.

The interplay between the literature and the empirical findings was an important role in the process at different stages of the research design. At an initial stage, the literature provided a context for the research and pointed towards potential areas of focus. Thus, the focus assisted in reducing the uncertainty that characterises this stage. At the emergence and ambiguity resolution stages, it allowed theoretical sensitisation of research findings and of the conceptual framework. At the maturity stage, it was used intensively to help refine relationships between categories and place the emerged theoretical framework in the context of other work, thus allowing its consolidation. In this context, the role of the literature is that of theoretical sensitisation at the beginning of Grounded Theory, but not to the extent that it leads to the formation of preconceived concepts and categories. This exemplifies the difference suggested by Dey (1993) between entering the research process with an "open mind" and following it with an 'empty head'.

Idrees et al. (2011:199) pointed out, "the value of an approach such as Grounded Theory for PhD research is twofold: it provides a set of methodological principles that:

(1) enable the exploration of phenomena and situations without the strait-jacket of a preconceived theoretical proposition; and

 (2) if appropriately adhered to, helping to achieve analytical rigour and coherence in the interpretation of results"

This practical example can be used as a guideline by researchers who intend to use this approach, particularly PhD researchers, in a variety of disciplines.

6.5 The practical implications

One of the main implications from the findings of this study for tourism and hospitality industry management is the need for creating awareness. While knowledge sharing is a well established and highly regarded discipline of both academic study and professional practice, it remains a fairly recent addition to these areas and lags behind other disciplines such as economics and marketing. In addition, although there are many industries that take advantage of knowledge sharing theories and practices, thereby exploiting the advantages of this area (the IT industry, in particular), its study and application has been somewhat neglected by the hospitality industry. Given that this research and its findings are based on five star hotels, a critical and lucrative market of this industry, it promises to lead to a greater recognition and awareness that the hospitality industry is heavily knowledge based and, therefore, firms are in a position to take advantage of the vast range of work and guidance available from this field. In practice, this could lead to, for example, greater implementation of knowledge management initiatives, not only within five star hotels, but throughout the hospitality industry.

Grizelj (2003:373) pointed out "in practice, most destination managers have difficulties in realizing the actual profit of knowledge management. This might be caused by a lack of understanding of what is behind the concept of knowledge management, and how it can support destinations in achieving new innovations. It seems as if destinations managers often reduce knowledge management to mere database management". The

proposed model of knowledge sharing based on economic theories that has been presented in this study can be used by those working in the hospitality industry, specifically the five star market, and primarily the managers of such destinations. Although these managers, who comprise the membership of the cliques that guide the knowledge sharing, are credible and well-versed in the sector, their knowledge and background is often restricted to a particular specialist area of the industry. Finance managers, for example, will have deep knowledge of the finance area, though may lack knowledge of the industry context outside of it; the same can be said of sales and marketing managers, human resources managers, engineering specialists, and other branches of management. This study will provide such professionals with a detailed overview of knowledge sharing in the market in which they operate, with an emphasis on the critical role managers play in knowledge sharing through more informal networks. Such an overview can only be an advantage to them, allowing them the opportunity to consider how social factors can influence the relevant business factors when making decisions.

Knowledge managers can certainly use information culled from the findings to understand more appropriate ways in which to deal with these individuals that comprise the clique. Due to the fact that the tourism industry has been characterised as a late adopter of knowledge management (Cooper, 2006), it is important that knowledge managers use methods that demonstrate both insight and potential applications of knowledge management for the tourism industry. The findings of this study provide a concrete framework for knowledge managers to understanding intimately and clearly both the requirements and functioning of the industry. For instance, knowing that

managers in the tourism industry share knowledge through informal networks and that these managers also compete in ways that force them to withhold information, knowledge managers can assist hotel managers to determine and set their own internal strategies on knowledge sharing that maintain the integrity of their individual organisation's business interests.

Furthermore, this study would be of benefit to a hotel manager wishing to improve the status of his organization by becoming a clique member, and thereby reaping the knowledge sharing benefits of membership. The study can provide him or her with an overview of the market which he or she seeks to enter, and the practical business obstacles he or she could face if the organisation is not able to demonstrate certain characteristics that signify membership. Although this newcomer may have already studied the market thoroughly and be very knowledgeable about it, the findings of this study will provide him or her with an insider's perspective based on knowledge sharing behaviour that is tacit rather than implicit, and will be of assistance, in particular, during the early stages of development.

6.6 Limitation and future research

This research aimed to explore how cooperation through knowledge sharing occurs among hotels in the religious destinations of Saudi Arabia. Religious tourism in Saudi Arabia consists of the journey whereby pilgrims visit the two holy cities, Makkah and Madinah, in order to perform the religious rituals of Hajj and Umra. The ritual of Hajj is a pilgrimage to the holy city of Makkah, where pilgrims must be present at certain places at certain times whereas Umra involves a visit to the holy mosque in Makkah. Although Hajj and Umra must be performed in the holy city of Makkah, visitors usually

visit Madinah either before or after going to Makkah to perform Hajj or Umra. This is because the holy mosque of the prophet Mohammed, which contains his tomb, is situated there. The site gives Madinah its significance and makes it the heart of Islamic world.

Although the religious destinations of Saudi Arabia include both the holy cities of Makkah and Madinah, the data used in this research was collected solely from hotels in Madinah. This was due to accessibility as the researcher was only able to gain access to hotels in Madinah. As mentioned earlier, although the religious destination receives great attention from investors and businesspeople, it is completely neglected in terms of research. Organizations in this religious destination such as hotels are not accustomed to participation in research studies or to sharing information openly with data gathering entities. Therefore, data collection was not a straightforward process, and pre-existing relationships were required for its facilitation. As the researcher is originally from Madinah and has a professional network in this industry, she was able to gain access to these hotels with the help of network contacts, whereas it was impossible for her to collect data from hotels in Makkah, where she was devoid of such contacts. This limitation, however, leaves the door open for future research focusing exclusively on the hotel industry in Makkah, which will certainly exhibit many similarities with the hotel market in Madinah.

Furthermore, this study focuses on organisations which are involved in a market structure that exhibits a tension between competitive and cooperative tendencies in their interdependent relationships. However, emphasis is placed upon the cooperative aspects of these relationships and how this cooperation takes place, specifically through the

practice of knowledge sharing. In light of this, future studies may wish to examine these same relationships among similar forms of organizations but with emphasis on the more competitive aspects of these organizations' interdependent relationship.

In addition, this research is aimed specifically at developing a theory relating to the five star hotel market in religious destinations. It has laid the foundations for similar studies to test the proposed inter-organizational knowledge sharing theory in other areas of the hospitality industry such as three star or four star hotels in religious destinations and beyond. The theory could also be extended to cover cooperation between various cliques at different levels of the hotel industry; for example, exploring if cliques exist at the three star or four star level of the market, and if so, then the research could focus on the transfer of knowledge between cliques in these markets, comparing them to those of the higher five star level. Alternatively, the theory can also be applied in comparative studies of five star hotels in religious destinations versus other types of destinations. These may include other leisure destinations throughout the world, such as Egypt or Orlando, or business destinations such as the major financial capitals of London, Frankfurt, or New York.

Another interesting and influential area of research to be considered can include the role of social networking in facilitating the practice of knowledge sharing within the five star hotel market. This could focus on networking between those occupying the same positions at various hotels, for example networking between managers or line managers.

Finally, studies on social networking in the hospitality industry can lead to other areas of study that examine the role of knowledge sharing in the creation and maintenance of formal industry bodies, which are designed to protect and promote the interests of the

industry at a local or national level. In either case, the emphasis would be on the sharing

of knowledge between peers and parties of a similar status and how this might influence

professional business networking organisations.

References

Adams, J.S. (1965). "Inequity in social exchanges". <u>In</u>: Berkowitz, L. (ed.), *Advances in Experimental Social Psychology*, pp. 267-300. New York: Academic Press.

Agustero, N.G. (2009). *The Collaborative Behaviour of Academic Libraries: The Case of Library Consortia in the Philippines*. PhD, The University of Sheffield.

Agut, S. & Grau, R. (2002). "Managerial competency needs and training requests: the case of Spanish tourist industry". *Human Resource Development Quarterly*, **13** (1), 31-51.

Ahuja, G. (2000). "collaboration networks, structural holes, and innovation: a longitudinal study". *Administrative Science Quarterly*, **45** (3), 425-455.

Aksu, A.A. & Özdemir, B. (2005). "Individual learning and organization culture in learning organizations: Five star hotels in the Antalya region of Turkey". *Managerial Auditing Journal*, **20** (4), 422–441.

Albawaba (2007). *KSA religious tourism set for 20% annual growth Madinah and Makkah hotels forecast high occupancy rates* [Online]. <u>http://www.mywire.com/pubs/ALBawaba/2007/11/13/4939065</u> [Accessed 13/12/2007]

Al-Hawamdeh, S. (2003). *Knowledge Management: Cultivating Knowledge Professionals.* Oxford: Chandos Publishing.

Alkhaldi, F.M. & Olaimat, M. (2006). "Knowledge conversion and transfer: a mathematical interpretation ". *Interdisciplinary Journal of Information, Knowledge, and Management*, **1**, 137-148.

Allee, V. (1997). *The Knowledge Evolution: Expanding Organizational Intelligence.* Washington: Butterworth-Heinemann.

Alter, C. & Hage, J. (1993). *Organizations working Together.* NewBury Park, CA: Sage.

Alvesson, M. (2004). *Knowledge Work and Knowledge-Intensive Firms.* Oxford: Oxford University Press.

Alvesson, M. & Robertson, M. (2006). "The best and brightest: the construction, significance and effects of elite identities in consulting firms". *Organization*, **13** (2), 195-224.

Andriessen, J.H. (2006). *To share or not to share, that is the question: conditions for the willingness to share knowledge* [Online]. <u>http://66.102.1.104/scholar?hl=en&lr=&q=cache:_yXO06I_rBwJ:doi.ewi.tudelft.nl/live/binaries/998097c5-f7c8-4eff-afa0-49590476bc9a/doc/Manuscript%2520Knowledge%2520Sharing.2.pdf+to+share+or+not+to+share,+j+andriessen</u> [Accessed 3/5/2007]

Ardichvili, A., Page, V. & Wentling, T. (2003). "Motivation and barriers to participation in virtual knowledge-sharing communities of practice". *Journal of Knowledge Management*, **7** (1), 64-77.

Argote, L. (1999). *Organizational Learning: Creating, Retaining and Transferring Knowledge.* Norwell, MA: Kluwer.

Arrow, K.J. (1999). "Knowledge as a factor of production". <u>In</u>: Pleskovice, B. & Stiglitz, J.E. (eds.), *Annual World Bank Conference on Development Economics*, 28-30 April 1999, Washington D.C., USA. pp. 15-20. The World Bank, Washington D.C., USA.

Axelrod, R. (1990). *The Evolution of Co-operation.* London: Penguin Books.

Badaracco, J.L. (1991). *The Knowledge Link: How Firms Compete through Strategic Alliances.* Boston: Harvard Business School Press.

Baily, M.N., Gersbach, H., Scherer, F.M. & Lichtenberg, F.R. (1995). "Efficiency in manufacturing and the need for global competition". *Brookings Papers on Economic Activity, Microeconomics*, **1995**, 307-358.

Barkema, H.G., Shenkar, O., Vermeulen, F. & Bell, J.H. (1997). "Working abroad, working with others: how firms learn to operate international joint ventures". *Academy of Management Journal*, **40** (2), 426 -442.

Bartol, K.M. & Srivastava, A. (2002). "Encouraging knowledge sharing: the role of organizational reward systems". *Journal of Leadership and Organization Studies*, **9** (1), 64-76.

Baskerville, R. & Pries-Heje, J. (1999). "Grounded action research: a method for understanding IT in practice". *Accounting Management and Information Technologies*, **9**, 1-23.

Baum, J.A.C. & Ingram, P. (1998). "Survival-enhancing learning in the Manhattan hotel industry, 1898-1980". *Management Science*, **44** (7), 996-1016.

Bayraktaroglu, S. & Kutanis, R.O. (2003). "Transforming hotels into learning organizations: a new strategy for going global". *Tourism Management*, **24**, 149-154.

Beeby, M. & Booth, C. (2000). "Networks and inter-organizational learning: a critical review". *The Learning Organization*, **7** (2), 75-88.

Beesley, L.G. (2005). "The management of emotion in collaborative tourism research settings". *Tourism Management*, **26** (2), 261-275.

Beesley, L.G.A. & Cooper, C. (2008). "Defining knowledge management (KM) activities: towards consensus". *Journal of Knowledge Management*, **12** (3), 48-62.

Begg, D., Fischer, S. & Dornbusch, R. (2005). *Economics.* Berkshire: The McGraw-Hill Education.

Behling, O. & Law, K. (2000). *Translating questionnaires and other research instruments: problems and solutions.* Thousand Oaks, CA: Sage

Bhatt, G. (2002). "Management strategies for individual knowledge and organizational knowledge". *Journal of Knowledge Management*, **6** (1), 31-39.

Blackler, F. (1995). "Knowledge, Knowledge Work and Organizations: an Overview and Interpretation". *Organization Studies*, **16** (6), 1021-1046.

Bolinger, A.S. & Smith, R.D. (2001). "Managing organizational knowledge as a strategic asset". *Journal of Knowledge Management*, **5** (1), 8-18.

Bolisani, E. & Scarso, E. (2000). "Electronic communication and knowledge transfer". *International Journal of Technology Management*, **20** (1/2), 116-133.

Bonacich, P. (1987). "Power and centrality: a family of measures". *The American Journal of Sociology*, **92** (5), 1170-1182.

Bouncken, R.B. (2000). "The effect of trust on quality in the culturallt divers tourism industry". *Journal of Quality Assurance in Hospitality and Tourism*, **1** (3), 85-104.

Bouncken, R.B. (2002). "Knowledge management for quality improvement in hotels". In: Bouncken, R.B. & Pyo, S. (eds.), *Knowledge Management in Hospitality and Tourism*, pp. 25-59. New York: The Haworth Hospitality Press.

Bouncken, R.B. & Pyo, S. (2002). "Achieving competitiveness through knowledge management". In: Bouncken, R.B. & Pyo, S. (eds.), *Knowledge Management in Hospitality and Tourism*, pp. 1-4. New York: The Haworth Hospitality Press.

Bourdieu, P. (1977). *Outline of a Theory of Practice.* Cambridge: Cambridge University Press.

Bourdieu, P. (1984). *Distinction: a Social Critique of Judgment of Taste.* Cambridge: Harvard University Press.

Bouthillier, F. & Shearer, K. (2002). "Understanding knowledge management and Information management: the need for an empirical perspective" *Information Research* [online], 8 (1),http://informationr.net/ir/8-1/paper141.html [Accessed 04/02/2009]".

Bowman, D. (2007). "Men's business: negotiating entrepreneurial business and family life". *Journal of Sociology*, **43** (4), 385-400.

Boyd, J., Ragsdell, G. & Oppenheim, C. (2007). "Knowledge transfer mechanisms: A case study from manufacturing". In: Martins, B. & Remenyi, D. (eds.), *Proceedings of the 8th European Conference on Knowledge Management*, 6-7 September 2007, Barcelona, Spain. pp. 139-146. Academic Confrences Limited, Barcelona, Spain.

Bright , D., Parkin, B. & Welsh, S. (2001). "Future negotiating skills: a development issue?". *Futures*, **33**, 557–568.

Brown, A.D. (1990). *Information, Communication and Organisational Culture: a Grounded Theory Approach*. The University of Sheffield.

Brown, J. & Dugid, P. (1998). "Organizing Knowledge". *California Management Review*, **40** (3), 90-111.

Bryman, A. (2001). *Social Research Methods.* Oxford: Oxford University Press.

Bryman, A. (2004). *Social Research Methods.* Oxford: Oxford University Press.

Buckley, P.J. & Carter, M.J. (2002). "Process and structure in knowledge management practices of British and US multinational enterprises". *Journal of International Management*, **8** (1), 29-48.

Burgess, D. (2005). "What motivates employees to transfer knowledge outside their work unit?". *Journal of Business Communication*, **42** (4), 324-348.

Burgess, G.H. (1989). *Industrial Organization.* London: Prentice-Hall International.

Burt, R.S. (1992). *Structural Holes: the Social Structure of Competition.* Cambridge, Mass: Harvard University Press.

Cabral, L.M.B. (2000). *Introduction to Industrial Organization.* Cambridge: The Mit Press.

Cabrera, A. & Cabrera, E. (2002). "Knowledge sharing dilemmas". *Organization Studies*, **23** (5), 687-710.

Canina, L., Enz, C.A. & Harrison, J.S. (2005). "Agglomeration effects and strategic orientations". *Academy of Management Journal*, **48** (4), 565-581.

Carlin, W., Schaffer, M. & Seabright, P. (2004). "A Minimum of rivalry: evidence from transition economies on the importance of competition for innovation and growth "*The E. B. Journal of Economic Analysis & Policy* [online], 3 (1), http://www.bepress.com/bejeap/contributions/vol3/iss1/art17/ [Accessed 04/6/2010]".

Central Department of Statistics and Information (2010). http://www.cdsi.gov.sa/component/content/article/142 [Accessed 29/11/2010]

Cervino, J. & Bonache, J. (2005). "Hotel management in Cuba and the transfer of best practices". *International Journal of Contemporary Hospitality Management*, **17** (6), 455-468.

Cetindamar, D., Catay, B. & Basmaci, S. (2005). "Competition through collaboration: insights from an initiative in the Turkish textile supply chain". *Supply Chain Management: An International Journal*, **10** (4), 238-240.

Charmaz, K. (1990). "Discovering chronic illness:using grounded theory". *Social Science Medical*, **30** (11), 1161-1172.

Charmaz, K. (1994). "The Grounded Theory method: an explication and interpretation". In: Glaser, B.G. (ed.), *More Grounded Theory methodology: A reader*, pp. 95-115. Mill valley, CA: The Sociology Press.

Charmaz, K. (2006). *Constructing Grounded Theory: a Practical Guide Through Qualitative Analysis.* London: Sage Publications.

Cherrington, D.J. (1989). *Organizational Behavior: The Management of Individual and Organizational performance.* Poston: Allyn and Bacon.

Clarke, R. (1983). "Collusion and the incentives for information sharing". *The Bell Journal of Economics*, **14** (2), 383-394.

Connell, J. & Lowe, A. (1997). "Generating Grounded Theory from qualitative data: the application of inductive methods in tourism and hospitality management research ". *Progress in Tourism and Hospitality Research*, **3** (2), 165-173.

Cook, K.S., Emerson, R.M., Gillmore, M.R. & Yamagishi, T. (1983). "The distribution of power in exchange networks: theory and experimental results". *The American Journal of Sociology*, **89** (2), 275-305.

Cook, S. & Brown, J. (1999). "Bridging epistemologies: the generative dance between organizational knowledge and organizational knowing". *Organization Science*, **10** (4), 381-400.

Cooper, C. (2006). "Knowledge management and tourism". *Annals of Tourism Research*, **33** (1), 47-64.

Cooper, C., Shepherd, R. & Westlake, J. (1994). *Tourism and Hospitality Education.* Guilford: University of Surrey.

Cooper, L.G. & Nakanishi, M. (1993). *Market-Share Analysis.* Boston: Kluwer

Cosgrave, J. (1996). "Decision making in emergencies". *Disaster Prevention and management*, **5** (4), 28- 35.

Cummings, J. (2003). *Knowledge sharing: a review of the literature* [Online]. Washington, D.C.: The World Bank. http://lnweb90.worldbank.org/oed/oeddoclib.nsf/DocUNIDViewForJavaSearch/D9E389E7414BE9DE85256DC600572CA0/$file/knowledge_eval_literature_review.pdf [Accessed 2/2/2011]

Cummings, S. & VanZee, A. (2005). "Communities of practice and networks: reviewing two perspectives on social learning". *Knowledge Management for Development Journal*, **1** (1), 8-22.

Currall, S.C. & Judge, T.A. (1995). "Measuring trust between organizational boundary role persons". *Organizational Behavior and Human Decision Processes*, **64** (2), 151-170.

Cutcliffe, J.R. (2000). "Methodological issues in Grounded Theory". *Journal of Advanced Nursing*, **31** (6), 1476-1484.

Davidson, M., Manning, M., Timo, N. & Ryder, P. (2001). "The Dimensions of Organizational climate in four- and five- star Australian hotels". *Journal of Hospitality & Tourism Research*, **25** (4), 444-461.

Davis, J.A. (1963). "Structural balance, mechanical solidarity, and interpersonal relations". *The American Journal of Sociology*, **68** (4), 444-462.

Deakin, S. & Wilkinson, F. (2000). "Contract law and the economics of interorganizational trust". In: Lane, C. & Bachmann, R. (eds.), *Trust Within and Between Organizations: Conceptual Issues and Empirical Applications*. Oxford: University Press.

Denscombe, M. (2007). *The Good Research Guide: For Small-scale social Research Projects* England: Open University Press.

Denzin, N. & Lincoln, Y. (2000). "The discipline and practice of qualitative research". In: Denzin, N. & Lincoln, Y. (eds.), *Handbook of Qualitative Research* pp. 1-32. Thousand Oaks, CA: Sage.

Dey, I. (1993). *Qualitative Data Analysis: a user-Friendly Guide for social Scientists.* London: Routledge.

Dick, P. & Ellis, S. (2006). *Introduction to Organizational Behaviour.* London: The McGraw-Hill Companies.

Dickoff, J. & James, P. (1968). "A theory of theories: a position paper". *Nursing Research*, **17** (3), 197-203.

Dodgson, M. (1993). "Learning, trust, and technological collaboration". *Human Relations*, **46** (1), 77-95.

Doolin, B. (2004). "Power and resistance in the implementation of a medical management information system". *Information Systems Journal*, **14**, 343-362.

Douglas, D. (2006). "Intransivities of managerial decisions: a Grounded Theory case". *Management Decision*, **44** (2), 259-275.

Dredge, D. (2006). "Policy networks and the local organisation of tourism". *Tourism Management*, **27**, 269-280.

Dunican, E. (2005). "A framework for evaluating qualitative research methods in computer programming education". In: Romero, J., Chaparro, E.A., Bryant, S. & Good, J. (eds.), *Proceedings of the 17th Annual Workshop of the Psychology of Programming Interest Group* 29 June-1 July 2005, Brighton, UK. pp. 255-267. University of Sussex, Brighton, UK.

Easterby-Smith, M. & Lyles, M.A. (2003). "Introduction:watersheds of organizational learning and knowledge managment". In: Easterby-Smith, M. & Lyles, M.A. (eds.), *The Blackwell Handbook of Organizational Learning and Knowledge Management*. USA: Blackwell publishing Ltd.

Edrees, S.M. (2005). *Al-Madinah Al-Munawarah: Noor Al-Mada'en.* Jeddah: Photo Link.

Ellis, D. (1989). "A behavioural approach to information retrieval systems design". *Journal of Documentation*, **45** (3), 171-212.

Empson, L. (2001). "Introduction: knowledge management in professional service firms". *Organization Science*, **10** (4), 381-400.

Engstrom, T.E.J., Westnes, P. & Westnes, S.F. (2003). "Evaluating intellectual capital in the hotel industry". *Journal of Intellectual Capital*, **4** (3), 287-303.

Espinosa, M.M.B., Martin, A.C.U. & Dobon, S.R. (2003). "The transmission of knowledge by means of strategic alliances: an application in the hotel industry". *Journal of Transnational Management Development*, **8** (3), 19-34.

Fadeeva, Z. (2004). "Promise of sustainability collaboration-potential fulfilled?". *Journal of Cleaner Production*, **13**, 165-174.

Farrell, B.H. & Twining-Ward, L. (2004). "Reconceptualizing tourism". *Annals of Tourism Research*, **31** (2), 274-295.

Faulkner, B., Pearce, P., Shaw, R. & Weiler, B. (1994). "Tourism research in Australia". In: Faulkner, B., Fagence, M., Davidson, M. & Craig-Smith, S. (eds.), *Proceedings of the Australian National Tourism Research and Education Conferences*, 8 and 11 February 1994, Brisbane, Australia. pp. 3-25. Bureau of Tourism Research, Brisbane, Australia.

Fedor, K.J. & Werther, W.B. (1995). "Making sense of cultural factors in international alliances". *Organizational Dynamics*, 33-48.

Festinger, L. (1954). "A Theory of social comparison processes". *Human Relations*, **7**, 117-140.

Fincham, R. & Rhodes, P. (2005). *Principles of Organizational Behaviour.* Oxford: The University Press.

Flick, U., Kardorff, E.V. & Steinke, I. (2004). "What is qualitative research? an introduction to the field". In: Flick, U., Kardorff, E.V. & Steinke, I. (eds.), *A Companion to Qualitative Research*. Los Angeles: SAGE Publications.

Freeman, C. (1982). *The Economics of Industrial Innovation.* London: Pinter.

Freeman, L.C., Borgatti, S.P. & White, D.R. (1991). "Centrality in valued graphs: a measure of betweenness based on network flow". *Social Networks*, **13**, 141-154.

Friedkin, N.E. (1991). "Theoretical foundations for centrality measures". *The American Journal of Sociology*, **96** (6), 1478-1504.

Friedman, J. (1977). *Oligopoly and the Theory of Games.* Amsterdam: North-Holland Publishing Company.

Friedman, J. (1983). *Oligopoly Theory: Cambride Surveys of Economic Literature.* Cambridge: Cambridge University Press.

Furunes, T. (2005). "Training paradox in the hotel industry". *Scandinavian Journal of Hospitality and Tourism*, **5** (3), 231-248.

Galal, G.H. (2001). "From contexts to constructs: the use of Grounded Theory in operationalising contingent process models". *European Journal of Information Systems*, **10** (1), 2-14.

Gallen, T. (2006). "Managers and strategic decisions: does the cognitive style matter?". *Journal of Management Development*, **25** (2), 118-133.

Ghalia, M.B. & Wang, P.P. (2000). "Intelligent system to support judgmental business forecasting: the case of estimating hotel room demand". *IEEE Transactions on Fuzzy Systems*, **8** (4), 380-397.

Giles, D.C. (2002). *Advanced Research Methods in Psychology.* Hove: Routledge.

Girod-Seville, M. & Perret, V. (2001). "Epistemological foundations". In: Thietart, R. (ed.), *Doing Management Research: A Comprehensive Guide*, pp. 13-30. London: Sage

Gjelsvik, M. (2002). "Hotels as learning arenas". *Scandinavian Journal of Hospitality and Tourism*, **2**, 31-48.

Glaser, B.G. (1978). *Theoretical Sensitivity.* Mill Valley, CA: The Sociology Press.

Glaser, B.G. (1992). *Basics of Grounded Theory Analysis: Emergence vs. Forcing.* Mill Valley , CA: The Sociology Press.

Glaser, B.G. (ed.) (1994). *More Grounded Theory Methodology: A Reader*. Mill Valley, CA: The Sociology Press.

Glaser, B.G. (1998). *Doing Grounded Theory: Issues and Discussions.* Mill Valley, CA: The Sociology Press.

Glaser, B.G. (1999). "The future of Grounded Theory". *Qualitative Health Research*, **9** (6), 836-845.

Glaser, B.G. & Holton, J. (2004). "Remodeling Grounded Theory", *Forum Qualitative Sozialforschung/Forum: Qualitative Social Research* [Online], 5 (2) http://www.qualitative-research.net/index.php/fqs/article/view/607/1316 [Accessed 27/01/2010]".

Glaser, B.G. & Strauss, A.L. (1967). *The Discovery of Grounded Theory: Strategies for Qualitative Research.* New Brunswick: Aldine transaction.

Goeldner, C.R. & Ritchie, J.R.B. (2006). *Tourism: Principles, Practices, Philosophies.* Hoboken, NJ: John Wiley & Sons, Inc.

Gold, A., Malhotra, A. & Segars, A. (2001). "Knowledge management: an organizational capabilities perspective". *Journal of Management Information Systems*, **18** (1), 185-214.

Gorman, G.E., Clayton, P., Shep, S.J. & Clayton, A. (2005). *Qualitative Research for the Information Professional: A practical Handbook.* London: Facet Publishing.

Goulding, C. (1998). "Grounded Theory: the missing methodology on the interpretivist agenda". *Qualitative Market Research: An International Journal*, **1** (1), 50-57.

Goulding, C. (2007). *Grounded Theory: A Practical Guide for Management, Business and Market Researchers.* Los Angeles: Sage.

Grangsjo, Y.F. (2003). "Destination networking: Co-opetition in peripheral surroundings". *International Journal of Physical Distribution& Logistics Management*, **33** (5), 427-448.

Grangsjo, Y.F. & Gummesson, E. (2006). "Hotel networks and social capital in destination marketing". *International Journal of Service Industry Management*, **17** (1), 58-75.

Grizelj, F. (2003). "Collaborative knowledge management in virtual service companies-approach for tourism destinations". *Tourism*, **51** (4), 371-385.

Gronau, N. (2002). "The knowledge cafe -A knowledge management system and its application to hospitality and tourism". In: Bouncken, R.B. & Pyo, S. (eds.), *Knowledge Management in Hospitality and Tourism*, pp. 75-88. New York: The Haworth Hospitality Press.

Gulati, R. (1998). "Alliances and networks". *Strategic Management Journal*, **19**, 293-317.

Gummesson, E. (2005). "Qualitative research in marketing: roadmap for a wilderness of complexity and unpredictability". *European Journal of Marketing*, **39** (3/4), 309-327.

Haldin-Herrgard, T. (2000). "Difficulties in diffusion of tacit knowledge in organizations". *Journal of Intellectual Capital*, **1** (4), 357-365.

Hallin, C.A. & Marnburg (2008). "Knowledge management in the hospitality industry: a review of empirical research". *Tourism Management*, **29**, 366-381.

Halme, M. (2001). "Learning for sustainable development in tourism networks". *Business Strategy and the Environment*, **10**, 100-114.

Hansen, M.T. (1999). "The search-transfer problem: the role of weak ties in sharing knowledge across organization subunits". *Administrative Science Quarterly*, **44**, 82-111.

Hansen, M.T., Nohria, N. & Tierney, T. (1999). "What's your strategy for managing knowledge?". *Harvard Business Review* **77** (2), 106–116.

Harrison, E. & Pelletier, M. (2000). "The essence of management decision". *Management Decision*, **38** (7), 462-469.

Hartman, S. & Lee, D. (1997). "Factors related to the formation of a communication clique among business deans". *The International Journal of Organizational Analysis*, **5** (4), 388-400.

Hartmann, M. (2000). "Class-specific habitus and social reproduction of the business elite in Germany and France". *Sociological Review*, **48** (2), 262-282.

Hawkins, D.E. (2006). "Transferring tourism knowledge: the role of higher education institutions". In: Scott, N. & Laws, E. (eds.), *Knowledge Sharing and Quality Assurance in Hospitality and Tourism*, pp. 13-27. New York: The Haworth Hospitality Press.

Henderson, K. (2005). "The knowledge sharing approach of the United Nations Development Programme". *Knowledge Management for Development Journal*, **1** (2), 19-30.

Hendriks, P. (1999). "Why share knowledge? The influence of ICT on the motivation for knowledge sharing". *Knowledge and Process Management*, **6** (2), 91-100.

Henwood, K. & Pidgeon, N. (1995). *Using Grounded Theory in Psychological Research.* Hillsdale, NJ: Lawrence Erlbaum.

Hickey, G. (1997). "The use of literature in grounded theory". *Nursing Times Research*, **2**, 371-378.

Hislop, D. (2002). "Mission impossible? Communicating and sharing knowledge via information technology". *Journal of Information Technology*, **17**, 165-177.

Hislop, D. (2005). *Knowledge management in organizations.* Oxford: Oxford University Press.

Hjalager, A. (2000). "Organisational ecology in the Danish restaurant sector". *Tourism Management*, **18**, 271-280.

Hjalager, A. (2002). "Repairing innovation defectiveness in tourism". *Tourism Management*, **23**, 465-474.

Hofstede, G. (1997). *Culture and Organizations: Software of the Mind.* New York, NY: McGraw-Hill Co.

Hooff, B. & Ridder, J. (2004). "Knowledge sharing in context: the influence of organizational commitment, communication climate and CMC use on knowledge sharing". *Journal of Knowledge Management*, **8** (6), 117-130.

Hu, C. & Racherla, P. (2008). "Visual representation of knowledge networks: a social network analysis of hospitality research domain". *International Journal of Hospitality Management*, **27**, 302-312.

Hubbell, C.H. (1965). "An input-output approach to clique identification ". *Sociometry*, **28** (4), 377-399.

Hussey, J. & Hussey, R. (1997). *Business Research: Practical Guide for Undergraduate and Postgraduate Students.* Basingstoke: Macmillan Business.

Idrees, I., Vasconcelos, A.C. & Cox, A.M. (2007). "Knowledge Sharing Barriers in a Multicultural Context: Hotels in Saudi Arabia". *Proceedings of the 2nd Annual South-East European Doctoral Student Conference*, 22 -23 June 2007, Thessaloniki, Greece South-East European Research Centre, SEERC, Thessaloniki, Greece

Idrees, I., Vasconcelos, A.C. & Cox, A.M. (2011). "The use of Grounded Theory in PhD research in knowledge management: a model four-stage research design". *Aslib Proceedings: New Information Prespectives*, **63** (2/3), 188-203.

Ingram, P. & Baum, J.A.C. (1997a). "Opportunity and constraint: organizations' learning from the operating and competitive experience of industries". *Strategic Management Journal*, **18**, 75-98.

Ingram, P. & Baum, J.A.C. (1997b). "Chain affiliation and the failure of Manhattan hotels, 1898-1980". *Administrative Science Quarterly*, **42**, 68-102.

Ingram, P. & Baum, J.A.C. (2001). "Interorganizational learning and the dynamics of chain relationships ". *Multiunit Organization and Multimarket Strategy*, **18**, 109-139.

Inkpen, A.C. & Tsang, E.W.K. (2005). "Social capital , networks, and knowledge transfer". *Academy of Management Review*, **30** (1), 146-165.

Ipe, M. (2003). "Knowledge sharing in organizations: a conceptual framework". *Human Resource Development Review*, **2** (4), 337-359.

Jackson, C. (2007). *Rezidor tapping into religious tourism* [Online]. http://www.arabianbusiness.com/503963?tmpl=component&page= [Accessed 13/12/2007]

Jameson, S.M. (2000). "Recruitment and training in small firms". *Journal of European Industrial Training*, **24** (1), 43-49.

Kahle, E. (2002). "Implications of "New Economy" traits for the tourism industry". <u>In</u>: Bouncken, R.B. & Pyo, S. (eds.), *Knowledge Management in Hospitality and Tourism*, pp. 5-23. New York: The Haworth Press.

Kane, A.A., Argote, L. & Levine, J.M. (2005). "Knowledge transfer between groups via personnel rotation: Effects of social identity and knowledge quality". *Organizational Behavior and Human Decision Processes*, **96**, 56-71.

Kane, H., Ragsdell, G. & Oppenheim, C. (2006). "Knowledge management methodologies" *The Electronic Journal of Knowledge Management* [online],4 (2), 141-152. http://www.ejkm.com/front/search/index.html [Accessed 04/05/2011]".

Kee, H.W. & Knox, R.E. (1970). "Conceptual and methodological considerations in the study of trust and suspicion". *The Journal of Conflict Resolution*, **14** (3), 357-366.

Kent, G. (2000). "Ethical Principles". <u>In</u>: Burton, D. (ed.), *Research Training for Social Scientists*. London: Sage.

Keong, L.C. & Al-Hawamdeh, S. (2002). "Factors impacting knowledge sharing". *Journal of Information and Knowledge Management*, **1** (1), 49-56.

Khanna, T., Gulati, R. & Nohria, N. (1998). "The dynamics of learning alliances: competition, cooperation, and relative scope". *Strategic Management Journal*, **19** (3), 193-210.

Kim, H.J., Tavitiyaman, P. & Kim, W.G. (2009). "The effect of management commitment to service on employee service behaviors: the mediating role of job satisfaction ". *Journal of Hospitality & Tourism Research*, **33** (3), 369-390.

King, W.R., Marks, P.V. & McCoy, S. (2002). "The most important issues in knowledge management ". *Communications of the ACM* **45** (9), 93-97.

Kirk, J. & Vasconcelos, A.C. (2003). "Management consultancies and technology consultancies in converging market: a knowledge management perspective" *The Electronic Journal of Knowledge Management* [online], 1 (1), 33-46. http://www.ejkm.com/volume-1/volume1-issue1/issue1-art5-kirk.pdf [Accessed 04/02/2010]".

Klein, H.K. & Myers, M.D. (1999). "A set of principles for conducting and evaluating interpretive field studies in information systems". *MIS Quarterly*, **23** (1), 67-94.

Kogut, B. (2000). "The network as knowledge: generative rules and the emergence of structure". *Strategic Management Journal*, **21**, 405-425.

Kyriakidou, O. & Gore, J. (2005). "Learning by example: benchmarking organizational culture in hospitality, tourism and leisure SMEs". *Benchmarking: An International Journal*, **12** (3), 192-206.

Lane, P.J., Salk, J.E. & Lyles, M.A. (2001). "Absorbative capacity, learning, and performance in internaional joint ventures". *Strategic Management Journal*, **22** (12), 1139-1161.

Lansisalmi, H., Peiro, J.-M. & Kivimaki, M. (2004). "Grounded Theory in organizational research". In: Cassell, G. & Symon, G. (eds.), *Essential Guide to Qualitative Methods in Organizational Research*, pp. 242-255. London: Sage.

Lawson, C. & Lorenz, E. (1999). "Collective learning, tacit knowledge and regional innovative capacity". *Regional Studies*, **33** (4), 305-317.

Lee, D. & Ahn, J. (2007). "Reward systems for intra-organizational knowledge sharing". *European Journal of Operational Research*, **180** (2), 938-956.

Lee, J. (2001). "The impact of knowledge sharing, organizational capability and partnership quality on IS outsourcing success". *Information & Managment*, **38**, 323-335.

Lee, S.M., Lee, Z. & Lee, J. (2007). "Knowledge transfer in work practice: adoption and use of integrated information systems". *Industrial Management& Data Systems*, **107** (4), 501-518.

Lemelin, S. (2006). "The tourism intelligence network: the Quebec source for information on the evolving tourism industry". In: Scott, N. & Laws, E. (eds.), *Knowledge Sharing and Quality Assurance in Hospitality and Tourism*, pp. 147-159. New York: The Haworth Hospitality Press.

Leonard, D. & McAdam, R. (2001). "Grounded Theory methodology and practitioner reflexivity in TQM research". *International Journal of Quality Reliability Management*, **18** (2), 180-194.

Lewicki, R. & Litterer, J.A. (1985). *Negotiation.* New York: Irwin.

Li, M. & Gao, F. (2003). "Why Nonaka highlights tacit knowledge: a critical review". *Journal of Knowledge Management*, **7** (4), 6-14.

Lipczynski, J. & Wilson, J. (2001). *Industrial Organisation: An Analysis of Competitive Markets.* Harlow: Pearson Education.

Locke, K. (2001). *Grounded Theory in Management Research.* London: Sage.

Lucas, L.M. (2005). "The impact of trust and reputation on the transfer of best practices". *Journal of Knowledge Management*, **9** (4), 87-101.

Lucas, L.M. (2006). "The role of culture on knowledge transfer: the case of the multinational corporation". *The Learning Organization*, **13** (3), 257-275.

Luo, Y. (2004). *Coopetition in International Business.* Denmark: Copenhagen business School Press.

Magnini, V.P. (2008). "Practicing effective knowledge sharing in international hotel joint ventures". *International Journal of Hospitality Management*, **27**, 249–258.

Major, E. & Ordey-Hayes, M. (2000). "Knowledge translation: a new perspective on knowledge transfer and foresight". *The Journal of Futures Studies, Strategic Thinking and Policy* **2**(4), 411-423.

Mankiw, N.G. (2009). *The Principles of Microeconomics.* Mason: South- Western Cengage Learning.

Mansourian, Y. (2006a). "Adoption of Grounded Theory in LIS research". *New Library World* **107** (1228-1229), 386-402.

Mansourian, Y. (2006b). *Information Visibility on the Web and Conceptions of Success and Failure in Web Searching*. PhD, The University of Sheffield.

Martensson, M. (2000). "A critical review of knowledge management as a management tool". *Journal of Knowledge Management*, **4** (3), 204-116.

Martin, P.Y. & Turner, B.A. (1986). "Grounded Theory and organizational research". *Journal of Applied Behavioral Science*, **22** (2), 141-157.

Mason, J. (2002). *Qualitative Researching.* London: Sage.

May, T. (2001). *Social Research: Issues, Methods and Process.* Buckingham: Open University Press.

Mayer, R.C., Davis, J.H. & Schoorman, F.D. (1995). "An integrative model of organizational trust". *The Academy of Management Review*, **20** (3), 709-734.

McAdam, R. & McCreedy, S. (2000). "A critique of knowledge management: using a social constructionist model". *New Technology and Employment*, 155-168.

McDermott, R. & O'Dell, C. (2001). "Overcoming cultural barriers to sharing knowledge". *Journal of Knowledge Management*, **5** (1), 76-85.

McGhee, G., Marland, G.R. & Atkinson, J. (2007). "Grounded Theory research: literature reviewing and reflexivity". *Journal of Advanced Nursing*, **60** (3), 334-342.

Mehmetoglu, M. & Altinay, L. (2006). "Examination of Grounded Theory analysis with an application to hospitality research". *Hospitality Management*, **25**, 12-33.

Ministry of Hajj (2007). Riyadh: Ministry of Hajj. http://www.hajinformation.com/index.htm [Accessed 17/12/2007]

Mizruchi, M.S. & Potts, B.B. (1998). "Centrality and power revisited: actor success in group decision making". *Social Networks*, **20**, 353-387.

Monge, P.R. & Contractor, N.S. (2003). *Theories of Communication Networks.* New York: Oxford University Press.

Mu, J., Gang, P. & Love, E. (2008). "Interfirm networks, social capital, and knowledge flow". *Journal of Knowledge Management*, **12** (4), 86-100.

Mwaura, G., Sutton, J. & Roberts, D. (1998). "Corporate and national culture - an irreconcilable dilemma for the hospitality manager?". *International Journal of Hospitality Management*, **10** (6), 212- 220.

Myers, M.D. & Avison, D. (eds.) (2002). *An Introduction to Qualitative Research in Information Systems*. London: Sage.

Narteh, B. (2008). "Knowledge transfer in developed-developing country interfirm collaborations: a conceptual framework". *Journal of Knowledge Management*, **12** (1), 78-91.

National Adilla Est (2007). *Reports of Hotels in Madinah* National Adilla Est. . Report No. HOM40010).

Nelson, R.R. & Pack, H. (1999). "The Asian miracle and modern growth theory". *The Economic Journal*, **109** (457), 416-436.

Newell, S., Robertson, M., Scarbrough, H. & Swan, J. (2002). *Managing Knowledge Work.* New York: Palgrave.

Niu, K. (2010). "Organizational trust and knowledge obtaining in industrial clusters". *Journal of Knowledge Management*, **14** (1), 141-155.

Nonaka, I. (1994). "A dynamic theory of organizational knowledge creation". *Organization Science*, **5** (1), 14-37.

Nonaka, I., Byosiere, P., Borucki, C.C. & Konno, N. (1994). "Organizational knowledge creation theory: a first comperehensive test". *International Business Review*, **3** (4), 337-351.

Nonaka, I. & Takeuchi, H. (1995). *The Knowledge Creating Company: How Japanese Companies Create the Dynamics of Innovation.* New York: Oxford University Press.

Nunes, M.B. & Al-Mamari, S. (2008). "Inductive Approaches using a Priori Coding in information systems research: a discussion". In: Brown, A. (ed.), *7th European conference on Research Methodology for Business and Management Studies* 19-20 June 2008, London, UK. pp. 36-72. Regent's College, London, UK.

Orlikowski, W. (1992). "The duality of technology: rethinking the concept of technology in organizations". *Organization Science*, **3** (3), 398-427.

Pack, H. (2000). "Research and development in the industrial development process". In: Kim, L. & Nelson, R.R. (eds.), *Technology, Learning and Innovation:Experiences of Newly Industrializing Economies*. Cambridge: Cambridge University Press.

Pan, S.L. & Scarbrough, H. (1999). "Knowledge management in practice: an exploratory case study". *Technology Analysis& Strategic Management*, **11** (3), 359-369.

Panther, K. & Thornburg, L. (1999). "The potentiality for actuality metonymy in English and Hungarian ". In: Panther, K. & Radden, G. (eds.), *Metonymy in language and Thought*, pp. 333-357. Amsterdam: John Benjamins Publishing Co.

Parkin, M. (2000). *Economics.* Reading: Addison Wesley Publishing Company.

Partington, D. (2000). "Building grounded theories of management action". *British Journal of Management*, **11**, 91-102.

Patel, P.C. & Conklin, B. (2009). "The balancing act: the role of transnational habitus and social networks in balancing transnational entrepreneurial activities". *Entrepreneurship Theory and Practice*, **33** (5), 1045-1078.

Patton, M.Q. (2002). *Qualitative Research & Evaluation Methods* London: Sage.

Pauleen, D., Corbitt, B. & Yoong, P. (2007). "Discovering and articulating what is not yet known: using action learning and Grounded Theory as a knowledge management strategy". *The Learning Organization*, **14** (3), 222-240.

Pavlovich, K. (2003). "The evolution and transformation of a tourism destination network: the Waitomo Caves, New Zealand". *Tourism Management*, **24**, 203-216.

Pickard, A.J. (2007). *Research Methods in Information.* London: Facet Publishing.

Pizam, A. (2007). "Does the tourism/hospitality industry possess the characteristics of a knowledge-based industry?". *Hospitality Management*, **26** (4), 759-763.

Polanyi, M. (1962). *Personal Knowledge.* Chicago: University of Chicago Press.

Polanyi, M. (1966). *The Tacit Dimension.* London: Routledge & Kegan.

Porac, J.F. & Thomas, H. (1994). "Cognitive categorization and subjective rivalry among retailers in a small city". *Journal of Applied Psychology*, **79** (1), 54–66.

Porter, M. (1985). *Competitive Advantage: Creating and Sustaining Superior Performance.* New York: The Free Press.

Porter, M. & Millar, V.E. (1985). "How information gives you competitive advantage". *Harvard Business Review*, **63** (4), 149-160.

Powell, W.W., Koput, K.W. & Smith-Doerr (1996). "Interorganizational collaboration and the locus of innovation: networks of learning in biotechnology". *Administrative Science Quarterly*, **41** (1), 116-145.

Pyo, S. (2005). "Knowledge map for tourist destination- needs and implications". *Tourism Management*, **26**, 583-594.

Pyo, S., Uysal, M. & Chang, H. (2002). "Knowledge discovery in database for tourist destinations". *Journal of Travel Research*, **40**, 396-403.

Quintas, P., Lefrere, P. & Jones, J. (1997). "Knowledge management: a strategic agenda". *Long Range Planning*, **30** (3), 385-391.

Radden, G. & Kovecses, Z. (1999). "Towards a theory of metonymy". In: Panther, K. & Radden, G. (eds.), *Metonymy in language and Thought*, pp. 17-59. Amsterdam: John Benjamins Publishing Co.

Rasmussen, G. & Zander, A. (1954). "Group membership and self-evaluation". *Human Relations*, **7**, 239-251.

Reagans, R. & McEvily, B. (2003). "Network structure and knowledge transfer: the effects of cohesion and range". *Administrative Science Quarterly*, **48** (2), 240-267.

Rennie, D.L. (1998). "Grounded Theory methodology: the pressing need for a coherent logic of justification". *Theory and Psychology*, **8** (1), 101-119.

Riege, A. (2005). "Three-Dozen knowledge-sharing barriers managers must consider". *Journal of Knowledge Management*, **9** (3), 18-35.

Ring, P.S. & Van De Ven, A.H. (1994). "Developmental processes of cooperative interorganizational relationships". *Academy of Management Review*, **19** (1), 90-118.

Robson, C. (1993). *Real World Research: A Resource for Social Scientists and Practitioner-Researchers.* Oxford: Blackwell.

Rodriguez, S.D., Perez, J.F.M. & Val, M.P.D. (2003). "An empirical study about the effect of cultural problematic on organizational learning in alliances". *The Learning Organization*, **10** (3), 138-148.

Rowley, T.J., Baum, J.A.C., Shipilov, A.V., Greve, H.R. & Rao, H. (2004). "Competing in groups". *Managerial and Decision Economics*, **25**, 453-471.

Ruhanen, L. & Cooper, C. (2004). "Applying a knowledge management framework to tourism research". *Tourism Recreation Research*, **29** (1), 83-88.

Sadi, M.A. & Henderson, J.C. (2005). "Tourism in Saudi Arabia and its future development". *Journal of Business and Economics*, **11**, 94-111.

Sako, M. (2000). "Dose trust improve business performance?". In: Lane, C. & Bachmann, R. (eds.), *Trust Within and Between Organizations: Conceptual Issues and Empirical Applications*. Oxford: University Press.

Saunders, M., Lewis, P. & Thornhill, A. (2003). *Research Methods for Business Students.* Harlow: Prentice Hall.

Sayed-Ikhsan, S. & Rowland, F. (2004). "Knowledge management in a public organization; a study on the relationship between organizational elements and the performance of knowledge transfer". *Journal of Knowledge Management*, **8** (2), 95-111.

Scotchamer, S. (1985). "Profit- maximizing club". *Journal of Public Economics*, **27**, 25-45.

Scott, N. & Laws, E. (2006). "Knowledge sharing in tourism and hospitality ". In: Scott, N. & Laws, E. (eds.), *Knowledge Sharing and Quality Assurance in Hospitality and Tourism* pp. 1-12. New York: The Haworth Hospitality Press.

Selden, L. (2005). "On Grounded Theory- with some malice". *Journal of Documentation*, **61** (1), 114-129.

Senge, P. (1994). *The Fifth Discipline.* New York, NY: Doubleday.

Seto, K. (1999). "Distinguishing metonymy from synecodoche". In: Panther, K. & Radden, G. (eds.), *Metonymy in language and Thought*, pp. 91-120. Amsterdam: John Benjamins Publishing Co.

Shannon, C.E. & Weaver, W. (1949). *The Mathematical Theory of Communication.* Chicago: University of Illinois press.

Shapiro, S. (1987). "The social control of imersonal trust". *The American Journal of Sociology*, **93** (3), 623-658.

Sigala, M. & Chalkiti, K. (2007). "Improving performance through tacit knowledge externalisation and utilisation: preliminary findings from Greek hotels".

International Journal of Productivity and Performance Management, **56** (5/6), 456-483.

Silverman, D. (2000). *Doing Qualitative Research: a Practical Handbook.* London: Sage.

Skyrme, D.J. (1999). *Knowledge Networking: Creating the Collaborative Enterprise.* Oxford: Butterworth-Heinemann.

Sloman, J. (2006). *Economics.* Harlow: Pearson Education.

Smith, K. & Biley, F. (1997). "Understanding Grounded Theory: principles and evaluation". *Nurse Researcher*, **4** (3), 17-30.

Steenkamp, J.E.M. (2001). "The role of national culture in international marketing research". *International Marketing Review*, **18** (1), 30-44.

Stern, P.N. (1994). "The Grounded Theory methods: its uses and processes". <u>In</u>: Glaser, B.G. (ed.), *More Grounded Theory Methodology: A reader*, pp. 116-126. Mill Valley, CA: The Sociology Press.

Stern, P.N., Allen, L. & Moxley, P. (1982). "The nurse as a grounded theorist: history, process and uses". *Review Journal of Philosophy and Social Science*, **7**, 200-215.

Stevens, R.G. & McElhill, J. (2000). "A qualitative study and model of the use of e-mail in organizations". *Internet Research: Electronic Networking Applications and Policy*, **10** (4), 271-283.

Stigler, G.J. (1964). "A theory of oligopoly". *The Journal of Political Economy*, **72** (1), 44-61.

Stokowski, P.A. (1994). *Leisure in Society: a Network Structural Prespective.* London: Mansell.

Strauss, A. (1987). *Qualitative Analysis for Social Scientists.* Cambridge: Cambridge University Press.

Strauss, A. & Corbin, J. (1998). *Basics of Qualitative Research: Techniques and Procedures for Developing Grounded Theory.* Thousand Oaks: Sage.

Suen, W. (2010). "Mutual admiration club". *Economic Inquiry*, **48** (1), 123-132.

Sveiby, K. (2001). "A knowledge-based theory of the firm to guide in strategy formulation". *Journal of Intellectual Capital*, **2** (4), 344-358.

Sydow, J. (2000). "Understanding the constitution of interorganizational trust". <u>In</u>: Lane, C. & Bachmann, R. (eds.), *Trust Within and Between Organizations: Conceptual Issues and Empirical Applications*. Oxford: Oxford University Press.

Szulanski, G. (1996). "Exploring internal stickiness: impediments to the transfer of best practice within the firm". *Strategic Management Journal* **17**, 27-43.

Szulanski, G. (2000). "The process of knowledge transfer: a diachronic analysis of stickiness". *Organizational Behavior and Human Decision Processes*, **82** (1), 9-27.

Tan, J. (2008). *Higher Education Students' Learning and Knowledge Sharing: A Grounded Theory Study of Blog Use*. PhD, The University of Sheffield.

Tang, F., Mu, J. & Maclachlan, D.L. (2008). "Implication of network size and strucure on organizations' knowledge transfer". *Expert Systems with Applications*, **35** (2), 1109-1114.

Tang, J. (2006). "Competition and innovation behaviour". *Research Policy*, **35**, 68-82.

Tichy, N. (1973). "An analysis of clique formation and structure in organizations". *Administrative Science Quarterly*, **18** (2), 194-208.

Tsai, W. (2001). "Knowledge transfer in intraorganizational networks: effects of network position and absorptive capacity on business unit innovation and performance". *The Academy of Management Journal*, **44** (5), 996-1004.

Tsai, W. (2002). "Social structure of "coopetition" within a multiunit organization: coordination, competition, and intraorganizational knowledge sharing". *Organization Science*, **13** (2), 179-190.

Uriely, N., Israeli, A. & Reichel, A. (2003). "Religious identity and residents' attitudes toward heritage tourism development: the case of Nazareth". *Journal of Hospitality & Tourism Research*, **27** (1), 69-84.

Uzzi, B. & Lancaster, R. (2003). "Relational embeddedness and learning: the case of bank loan managers and their clients". *Management Science*, **49** (4), 383-399.

Vasconcelos, A.C. (2005). *Defining Discourses: the Role of Discourse in the Organizational Adaptation of Information Systems*. PhD, Sheffield Hallam University.

Vasconcelos, A.C. (2007a). "The role of professional discourses in the organisational adaptation of information systems". *International Journal of Information Management*, **27** (4), 279-293.

Vasconcelos, A.C. (2007b). "The use of Grounded Theory and of the Arenas/Social Worlds Theory in Discourse Studies: a case study on the discursive adaptation of information systems" *Electronic Journal of Business Research Methods* [online], 5 (1) 125-136.www.ejbrm.com [Accessed 13/02/2010]".

Verburg, R. & Andriessen, J. (2006). "The assessment of communities of practice". *Knowledge and Process Management*, **13** (1), 13-25.

Waldman, D.E. & Jensen, E.J. (2001). *Industrial Organization:Theory and Practice.* Boston: Addison Wesley.

Wenger, E. & Snyder, W.M. (2000). "Communities of practice: the organizational frontier". *Harvard Business Review*, **78** (1), 139-145.

Werr, A. & Stjernberg, T. (2003). "Exploring Management consulting firms as knowledge systems". *Organization Studies*, **24** (6), 881-908.

Wijk, R.V., Jansen, J.J.P. & Lyles, M.A. (2008). "Inter-and intra-organizational knowledge transfer: a meta-analytic review and assessment of its antecedents and consequences". *Journal of Management Studies*, **45** (4), 830-853.

Wober, K.W. (2003). "Information supply in tourism management by marketing decision support systems". *Tourism Management*, **24** (3), 241-255.

Woods, M. & Deegan, J. (2006). "The Fuchsia Destination quality brand: low on quality assurance, high on knowledge sharing". <u>In</u>: Scott, N. & Laws, E. (eds.), *Knowledge Sharing and Quality Assurance in Hospitality and Tourism*, pp. 75-98. New York: The Haworth Hospitality Press.

Wrright, P., McMahan, G. & McWilliams, A. (1994). "Human resources and sustained competitive advantage: a resource-based perespective". *International Journal of Human Resource Management*, **5** (2), 301-326.

Wyatt, J.C. (2001). "Managment of explicit and tacit knowledge". *Journal of the Royal Society of Medicine*, **94** (1), 6-9.

Yang, J.T. (2004a). "Qualitative knowledge capturing and organizational learning: two case studies in Taiwan hotels". *Tourism Management*, **25**, 421-428.

Yang, J.T. (2004b). "Job-related knowledge sharing: comparative case studies". *Journal of Knowledge Management*, **8** (3), 118-126.

Yang, J.T. & Wan, C.S. (2004). "Advancing organizational effectiveness and knowledge management implementation". *Tourism Management*, **25** (593-601).

Yun, D. (2004). "Knowledge management in hospitality and tourism". *Annals of Tourism Research*, **31** (4), 1064-1065.

Zack, M.H. (1999). "Managing codified knowledge". *Sloan Management Review*, **4** (40), 45-58.

Zaheer, A. & Bell, G.G. (2005). "Benefiting from network position: firm capabilities, structural holes, and performance". *Strategic Management Journal*, **26**, 809-825.

Zhang, J., Dawes, S.S. & Sarkis, J. (2005). "Exploring stakeholders' expectations of the benefits and barriers of e-government knowledge sharing". *The Journal of Enterprise Information Management*, **18** (5), 548-567.

Zhenzhong, M. (2006). "Negotiating into China: the impact of individual perception on Chinese negotiation styles". *International Journal of Emerging Markets*, **1** (1), 64-83.

Appendices

Appendix 1: Invitation letter for participants

Dear.....,

I am a PhD student studying at the Information School at the University of Sheffield. This is an invitation to participate in a study, which focuses on cooperation through knowledge sharing among hotels in the religious tourism and hospitality industry in Saudi Arabia.

Participation in this study is voluntary. It would involve an interview of approximately 45-60 minutes at a mutually agreed location. You can decline to answer any of the interview questions, if you wish. Furthermore, you may decide to withdraw from the study at any time by informing me.

With your permission, the interview would be tape-recorded and later transcribed for analysis; a copy of the transcript will be sent to you, if you wish.

All information you provide is completely confidential; your name will not appear in the study. Your responses will be used anonymously and accessed purely for the purpose of the research.

If you have any questions or concerns regarding this study, or would like additional information to assist you in reaching a decision about participation, please contact me (see contact details below).

I hope that results of my study will be of particular benefit to hotel managers as well as to all others who are involved in the hospitality industry. I very much look forward to speaking with you and thank you in advance for your assistance with this project.

Yours sincerely,

Inaam Idrees
Research Student
Information School, The University of Sheffield
Regent court, 211 Portobello Street, Sheffield S1 4DP
Email: i.idrees @sheffield .ac.uk.

Appendix 2: The participant constant form

<table>
<tr><td colspan="2">

Title of Project: Clique and Elite: Inter-organisational knowledge sharing across Five Star Hotels in the Saudi Arabian Religious Tourism and Hospitality Industry- a Grounded Theory Study.

Name of Researcher: Inaam Idrees

Participant Identification Number for this project:

</td></tr>
<tr><td></td><td>**Please initial box**</td></tr>
<tr>
<td>I confirm that I have read and understand the information sheet/letter (delete as applicable) dated [insert date] for the above project and have had the opportunity to ask questions.</td>
<td>☐</td>
</tr>
<tr>
<td>I understand that my participation is voluntary and that I am free to withdraw at any time without giving any reason. Insert contact number here of lead researcher/member of research team (as appropriate).</td>
<td>☐</td>
</tr>
<tr>
<td>I understand that my responses will be anonymised before analysis. I give permission for members of the research team to have access to my anonymised responses.</td>
<td>☐</td>
</tr>
<tr>
<td>I agree to take part in the above research project.</td>
<td>☐</td>
</tr>
</table>

_____ _____ _____

Name of Participant   Date   Signature

_____ _____ _____

Name of person taking consent   Date   Signature

(If different from lead researcher)

Inaam Idrees   _____ _____

 Researcher   Date   Signature

Copies:

One copy for the participant and one copy to be kept in the main project file.

Appendix 3: The participant information sheet

1. Research project title:

Clique and Elite: Inter-Organisational Knowledge Sharing across Five Star Hotels in the Saudi Arabian Religious Tourism and Hospitality Industry - a Grounded Theory Study

2. Invitation paragraph

Thank you for reading. You are being invited to take part in a research project. Before you decide whether to take part, it is important for you to understand why this research is being undertaken and what it will involve. Please take time to read the following information carefully and discuss it with others, if you wish. Ask us if there is anything that is not clear or if you would like further information. Please take time to decide whether or not you wish to take part.

3. What is the project's purpose?

Despite the fact that hotels are competitors within a destination, they also are required to work together in order to gain benefits. This demonstrates the paradox of cooperation and competition for organizations involved. Knowledge sharing is a common form of this paradoxical relationship. The purpose of this research is to discover how competing hotels in the religious tourism and hospitality industry in Saudi Arabia cooperate through sharing their knowledge.

4. Why have I been chosen?

The selection of managers relates to the fact that the decisions to engage in either competition or cooperation (of which knowledge sharing is one of its forms), or both, among organizations are usually related to different management options. Therefore, the researcher needs to collect data from managers who work in hotels in the religious tourism and hospitality industry in Saudi Arabia.

5. Do I have to take part?

It is completely up to you to decide whether or not to take part. If you do decide to take part, you will be given this information sheet to keep and be asked to sign a consent

form. You can withdraw at any time without it affecting any benefits that you are entitled to in any way. You do not have to give a reason for your withdrawal.

6. What will happen to me if I take part?

The participant will be interviewed for an hour where they will be asked some questions related to the aim of the study, which is mentioned above.

7. What do I have to do?

There is no restriction of any type required. We only are expecting participants to answer the interview questions naturally.

8. What are the possible disadvantages and risks of taking part?

There are no known risks associated with this data collection. We only expect participants to commit an hour of their time for us to conduct our study.

9. What are the possible benefits of taking part?

The result of this research will be of great importance to those involved in the tourism and hospitality industry because it will draw their attention towards knowledge sharing practices from different perspectives. It will demonstrate to them that competition is not the only reason for knowledge sharing; cooperation, which leads to competitive advantages at the destination level, is also a reason. Consequently, they can benefit from implementing knowledge management programs or improve the existing ones.

10. What happens if the research study stops earlier than expected?

If this happens, all participants will be informed and reasons will be given.

11. What if something goes wrong?

In the event that something goes wrong and causes any inconvenience to the participant, s/he is welcome to contact the applicant to address her/his complaint. If the problem is not solved, s/he can contact Dr Ana Cristina Vasconcelos, Supervisor at the Information School. If the problem persists, s/he can contact the University Registrar and Secretary to report the problem.

12. Will my taking part in this project be kept confidential?

All the information that we collect about you during the course of the research will be kept strictly confidential. You will not be identified in any reports or publications.

13. What will happen to the results of the research project?

The data will be published. The researcher will send a copy of the results to the participants, highlighting each participant's part in the study.

14. Who is organizing and funding the research?

This research is funded by Taibah University (Saudi Arabia), supervised by Dr. Ana Cristina Vasconcelos & Dr. Andrew Cox, and undertaken at the University of Sheffield.

15. Who has ethically reviewed the project?

It has been ethically approved by the Information School using its ethics review procedure.

Contact for further information.

Inaam Idrees (student)
Email: i.idrees@sheffield.ac.uk
Post: Information School
The University of Sheffield
Regent court, 211 Portobello Street
Sheffield S1 4DP
UK
Dr. Ana Cristina Vasconcelos (supervisor)
Email:a.C.Vasconcelos@sheffield.ac.uk
Post: Information School
The University of Sheffield
Regent court, 211 Portobello Street
Sheffield S1 4DP
UK

Professor Sheila Corrall (head of the department)

Email: S.M.Corrall@sheffield.ac.uk

Post: Information School

The University of Sheffield

Regent court, 211 Portobello Street

Sheffield S1 4DP

UK

Appendix 4: Interview guide in the uncertainty stage

1. What is your role within the hotel?
2. What are the main tasks associated with your role?
3. What kind of information do you need to do your job?
4. What are the sources of the information?
5. Do you consider your colleagues and industry counterparts one of the sources?
6. Who do you communicate with in order to do your work?
7. How do you communicate with them?
8. Do you share your work related experiences and knowledge with colleagues and industry counterparts?
9. In what cases do you share your experiences and knowledge with colleagues and industry counterparts?
10. In which cases would you prefer not to share your work related knowledge and experiences with colleagues and industry counterparts?
11. What are difficulties that you face when sharing your information and knowledge with others?
12. When you face work related problems or difficulties that you cannot solve alone, how do you solve them?
13. In the event that you cannot solve a work related problem, do you consult others in your search for solutions?
14. If yes, who do you usually consult?
15. Does management at your hotel encourages the idea of information and knowledge sharing ?
16. If so, how do they do it?

Appendix 5: Example of the interview guide in the emergence stage

1. What activities does your work entail?
2. What types of tourism does your destination promote?
3. From your experience, do you think working in the religious tourism and hospitality industry in Saudi Arabia is different from working in tourism and hospitality elsewhere?
4. If yes, how?
5. What type of organizations do you need to communicate with in order to do your job?
6. What type of hotels do you communicate with?
7. Why do you communicate with these types of hotels? What are the reasons for this selection?
8. Do you need to have any information about them to work with them?
9. What type of information?
10. How do you use this information?
11. What are the major problems you face when dealing with other hotels?
12. What are the reasons for maintaining relationships and communication with other hotels in the industry?
13. Are there any potential benefits that hotels may gain from maintaining relationships and communication with other hotels in the industry?
14. If yes, what are these benefits?
15. Do hotels compete with each other in the religious tourism and hospitality industry in Saudi Arabia?
16. If so, how they compete?
17. Why do they compete?
18. From your professional experience, how would you describe relations between hotels in the religious tourism and hospitably industry in Saudi Arabia?
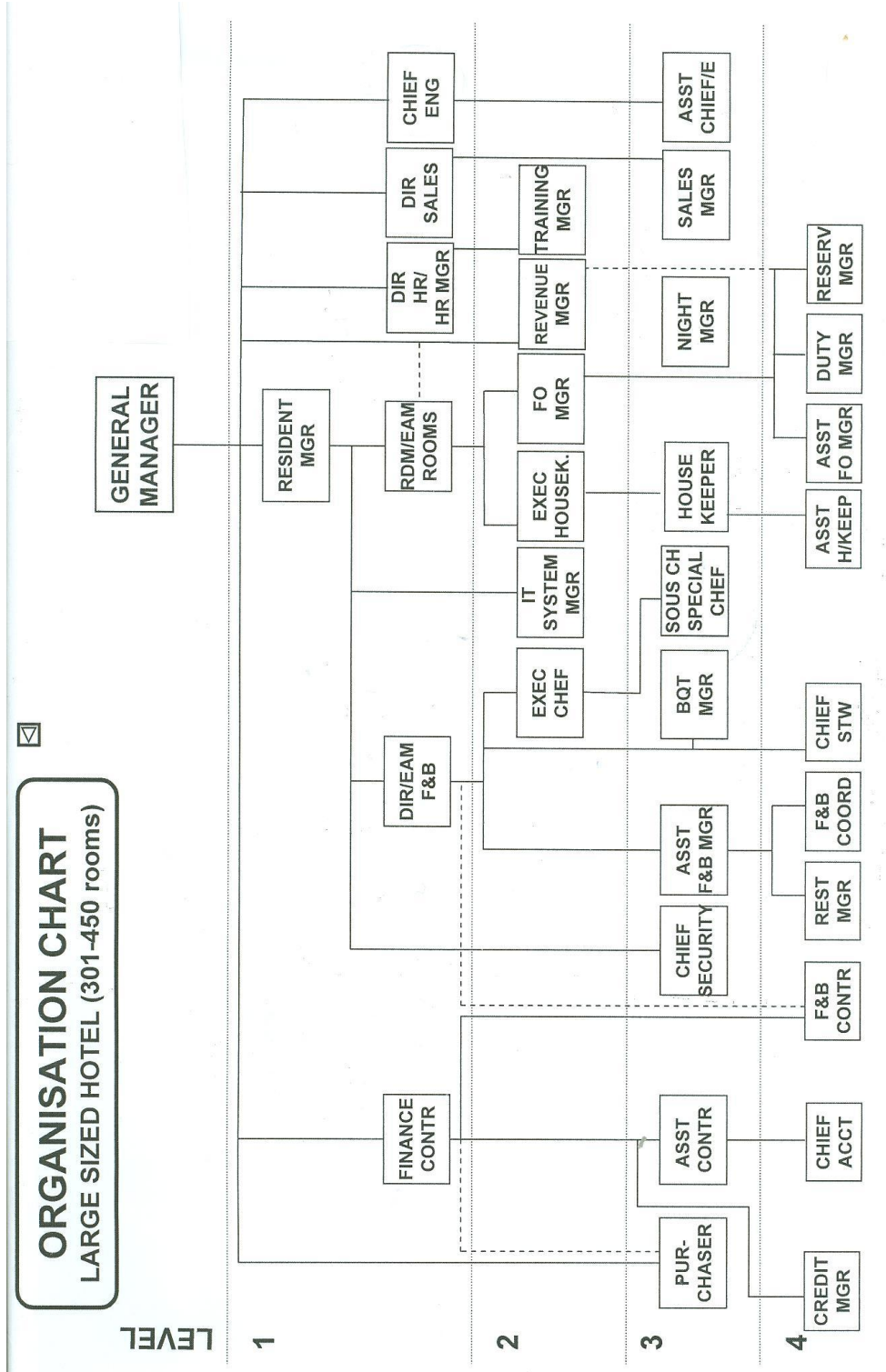
Appendix 6: Interview guide in the ambiguity resolution stage

1. My previous interview with you shows that you maintain relationships and communication with managers at other five star hotels - may I know what types of managers you communicate with at these hotels?
2. Why do you communicate with these particular types of mangers?
3. What are the advantages of maintaining relationships with these types of managers?
4. Do you share any work related experiences and knowledge with them?
5. How do you share your information and knowledge with them?
6. What are the formal channels that you use to communicate and share information and knowledge with them?
7. What are the informal channels that you use to share your work related experience and knowledge with them?
8. Which of these channels do you prefer to use? Why?
9. How often do you communicate with such managers?
10. How do you organise this communication?
11. Who is responsible for organising and arranging this communication?
12. Where does face to face communication take place?

Appendix 7: Mangers' position

Manager's position	Interview's no	Hotel 1	Hotel 2	Hotel 3	Hotel 4
General Manager	1	Rami	Majed	Aiman	Ahmed
Finance Manager	2	Hani	Ashraf	Eiad	Naser
Human Resource Manager	3	Jaber	Saher	Bakr	Salem
Room Division Manager	4	Bandar	Basem	Naji	Deiab
Sales & Marketing Manager	5	Mansor	Mohi	Amjad	Fareed
Maintenance &chief Engineer	6	Tamem	Kareem	Mosleh	Maen
Food & beverage Manager	7	Ehsan	Morad	Khalel	Helmi

Appendix 8: Example of five star hotel management structure

ORGANISATION CHART
LARGE SIZED HOTEL (301–450 rooms)

HEAD OFFICE OCT05/ROE

LEVEL

GENERAL MANAGER

1

- FINANCE CONTR
- RESIDENT MGR
- DIR HR/ HR MGR
- DIR SALES
- CHIEF ENG

2

- ASST CONTR
- PUR-CHASER
- DIR/EAM F&B
- IT SYSTEM MGR
- RDM/EAM ROOMS
- EXEC HOUSEK.
- FO MGR
- REVENUE MGR
- TRAINING MGR
- ASST CHIEF/E

3

- CHIEF ACCT
- CHIEF SECURITY
- ASST F&B MGR
- EXEC CHEF
- HOUSE KEEPER
- NIGHT MGR
- SALES MGR

4

- CREDIT MGR
- F&B CONTR
- REST MGR
- F&B COORD
- CHIEF STW
- BQT MGR
- SOUS CH SPECIAL CHEF
- ASST H/KEEP
- ASST FO MGR
- DUTY MGR
- RESERV MGR

295

Appendix 9: List of publications based on the current study

- Idrees, I., Vasconcelos, A.C. & Cox, A.M. (2007). "Knowledge Sharing Barriers in a Multicultural Context: Hotels in Saudi Arabia". *Proceedings of the 2nd Annual South-East European Doctoral Student Conference*, 22 -23 June 2007, Thessaloniki, Greece South-East European Research Centre, SEERC, Thessaloniki, Greece

- Idrees, I., Vasconcelos, A.C. & Cox, A.M. (2011). "The use of Grounded Theory in PhD research in knowledge management: a model four-stage research design". *Aslib Proceedings: New Information Prespectives*, **63** (2/3), 188-203.