

# Knowledge Management to Organizational Innovation Tourism Development from Samarinda City, Indonesia

Ariesta Heksarini<sup>1</sup>, Siti Maria<sup>2\*</sup>, Dirga Lestari<sup>3</sup>

Department of Management, Faculty of Economics and Business, Mulawarman University, Samarinda City  
(75117), Indonesia<sup>1,2,3</sup>

Correspondence Author: 2\*



**ABSTRACT**— Innovation is the success key to increased business competition. Innovation plays an important role in competitive advantages. The government, in this case, the tourism office must have the ability to quickly innovate and sustainably grow in order to win the competition. It has problems in developing knowledge that is expected to be identified and resolved through this research. This study focuses on strategies for applying knowledge management to improve organizational innovation developing tourism attraction in Samarinda as tourism potential. Previous studies are conducted in different industries and the scarcity in the context of organizational innovation of tourism potential also as a gap that underlies this research. This research is a type of literature research study by reference theory to describe and analyze the observation data. Samarinda's tourism potential should provide knowledge management with the ins and outs of tourism itself. Samarinda Tourism Office needed should be reliable in managing potential tourist attractions, also facilitate the learning process in order to create valuable benefits in the dynamic environment. It can be stated that improving Samarinda's tourism innovation can only be done through the strategic implications of knowledge management.

**KEYWORDS:** Tourism innovation, Organizational learning, Knowledge management capability, Transformational leadership, Samarinda.

## 1. INTRODUCTION

Samarinda is the capital city of East Kalimantan Province is a city that boasts business, industry, and trade sectors. On the basis of this leading sector, Samarinda City has become a destination for visits by many interested parties. This condition is further supported by the Indonesian government's policy to move the capital to East Kalimantan in 2024. This means a great opportunity for the tourism sector because many parties visit Samarinda for business and other activities. To welcome this opportunity, the Samarinda City Government has established a strategic tourism area for Samarinda since 2008. Through this policy, it is hoped that it can develop tourism to boost regional income both natural potentials such as river and forest tourism potential, tourism potential of religious places of various religions, the potential for typical culinary tourism, regional local crafts, cultural villages, and various kinds and artificial tourism forms, such as bathing pools, water parks, and shopping centers. In addition, to develop and promote tourism in Samarinda City, various cultural festival activities and riverbank tourism are also carried out. The tourism sector also has a strategic role in creating added value for Indonesia's national economy and absorbs a large number of workers. The labor absorption in the tourism sector in 2019 was 13 million. Unfortunately, these opportunities have not been managed optimally. In general, the weaknesses that can be identified are the lack of promotion, poor service facilities, less professional tourism implementers in the field, limited public transportation to tourism objects. These things are factors that are neither beneficial nor detrimental to the tourism sector [4, 30]. Based on the description of various problems above, the authors are interested to further explore and examine the problems in developing tourist attractions in Samarinda as tourism potential.

## **2. Related literature**

### ***2.1 Organizational Innovation***

The various definition of innovation found in the literature is common and broad, while others focus on specific innovations such as the execution of ideas for new products or services. In an organizational environment, innovation is the implementation of ideas for restructuring, saving costs, improving communications, new technologies for production processes, new organizational structures, and new personnel plans or programs [14, 31, 29, 23]. Intentional introduction and application in a group, role or organization of ideas, processes, products or new procedures to relevant units, designed to provide individual, group, organizational or community benefits. The context in which new ideas, products, services, or activities are implemented determines whether it can be considered an innovation in a particular context [5, 31]. Innovation often associated with change quoted [9, 31, 29, 16]. Innovation is seen as something new leads to change. However, change cannot always be considered as innovative because it does not involve new ideas or always lead to improvements in an organization. An example of a change that cannot be considered as innovation changes in working hours in extremely hot weather. Innovation considered a process, result, or both, and different types of innovation have been distinguished. According to these, innovation is the application of ideas or behaviors, which can be a new system, policy, program, device, process, product, or service for the organization [11, 8, 19]. This study focuses on the most frequently used dimensions of process innovation, product innovation, and administrative innovation. Differences between products and processes related to areas and activities that affect innovation [28, 19, 10].

### ***2.2 Knowledge management***

Generally, Knowledge Management as the systematic management of knowledge processes through new knowledge created, identified, grouped, shared and applied. Knowledge management as a dynamic human process in justifying personal beliefs in a truth [25, 3]. Knowledge management promotes an integrated approach to identifying, capturing, retrieving, sharing, and evaluating a company's information assets. This information asset may include databases, documents, policies, and procedures, as well as the potential skills and experience not yet disclosed by each employee [7]. The human resource management policies or activities should be established to facilitate organizational learning activities and knowledge management skills, otherwise, positive effects on organizational performance cannot be achieved from policy or resource management activities only. Thus, to improve learning and knowledge management, executives should focus on formulating organizational learning policies and KM to be effective and facilitate their implementation [21]. The process of knowledge management as an ongoing process that is divided into four phases including knowledge application, knowledge acquisition, knowledge organization, and knowledge dissemination. The organizational learning levels have a significant impact on knowledge integration, knowledge management skills, and enterprise innovation capabilities; Interaction effects from human-oriented knowledge management strategies, organizational learning, knowledge-oriented knowledge management systems and found knowledge integration will greatly impact knowledge management skills [12], [26]. Based on the above description, the knowledge in this study is defined as a systematic activity or a process of identifying, capturing, managing, and utilizing knowledge to enhance the organization's ability to create superior, growing, and enduring products, services, and new systems. The measurement dimension of knowledge management using the acquisition of knowledge, the dissemination of knowledge, and interpret and develop knowledge [22], [15].

### ***2.3 Organizational learning***

Organizational learning is the process of information acquisition, and information interpretation resulting in behavioral and cognitive changes, also impacting the performance of the organization. Organization learning

consists of four stages; intuition, interpreting, integrating, and institutionalizing, the process has been widely adopted in related studies [2- 6]. [13] suggests that firms need to develop strategies not only based on the core of knowledge and ability but must also work to acquire, transfer, and integrate new knowledge, facilitate organizational learning processes to create valuable human capital needed in a dynamic environment. Organizational learning has been regarded as a routine-based, and target-oriented [20], [22]. Based on the above definition, organizational learning in this study is an ongoing process of knowledge creation, acquisition, as a routine transformation to acquire, distribute, integrate, and create information and knowledge among members of the organization. The model of organizational learning measurement in this research is adapted from research of information dissemination mechanism, the climate created in the company, application of learning systems and methods, and achievements expected [21].

#### **2.4 Transformational leadership**

The concept of leadership drew high attention from social scientists over the last few decades. In the 1980s, management researchers became deeply interested in the emotional and symbolic aspects of leadership. This process helps us to understand how leaders influence followers to try to put mission needs or organizational goals ahead of personal or group interests. Transformational Leadership is the last thought of effective leadership delivered by a group of experts who try to "revive" the "trait theory" or the person's main traits possesses in order to become a leader. Robert House conveys leadership theory by suggesting that effective leadership uses dominance, has self- confidence, influences, and displays high morality to raise its charismatic level [18]. Relying on charisma, a "transformational" leader always challenges his subordinates to give birth to special works. The steps taken in general are to talk with followers, how important their performance is, how proud and confident they are as a member of the group, and how special the group can be to produce innovative and extraordinary work. According to the founder of this theory, the "transformational" leader is very effective because it combines the two theories of "behavioral" and "situational" theories with their respective advantages. Integrating human-oriented behavioral patterns or in production with a review of the situation coupled with its charismatic strength. This type of transformational leader is ideally suited to dynamic organizations, concerned with change and innovation as well as competing closely with other companies within the international sphere. The main requirement of success is the presence of a leader with charisma. A leader in this section combines elements of self-power, authority possessed, personality traits, and social skills to influence employee behavior [18]. Based on the theoretical and empirical studies, the theoretical model constructed in this study is described as follows:



**Fig. 1:** Literature model

From these various descriptions, the transformational leadership in this study is a leadership behavior that influences its followers through values, attitudes, and beliefs to achieve higher motivation and morale to achieve established organizational goals. The indicator used is adapted which divides transformational leadership into four dimensions such as charisma, individual considerations, intellectual stimulation, and inspiration [1].

### **3. Discussions**

Fundamental changes in business and economic environments create high changes in competitive conditions and the world economy today. The rapid pace of social media has resulted in behavioral changes including changes in the dynamics of the tourism business. The uncertainty of the economy and business that is unpredictable, causing Indonesian tourism have to adjust and innovate strategy to win the competition. The development of tourism objects in Samarinda is a strategy used to promote, improving the conditions, and tourist attractions so that they are attractive to tourists and can provide benefits to the government and the local community. Tourism development aims to provide benefits for both tourists and local communities. Successful innovation means more than research and development. R&D should be transformed into objects and services offered to the tourists and because value added to the local community. Tourism development is expected to be able to improve the standard of living of the local community through the economic benefits brought to the area. In other words, tourism development through the provision of infrastructure facilities, tourists, and residents will benefit from each other. The development should pay attention to various aspects, such as; social, cultural, historical, and economic aspects of the tourist destination. Innovation is the process in which valuable ideas are transformed into new forms of added value to the Samarinda area, tourists, traders, service providers, and government. The transformation process is now as a whole learning process for the organization to maintain continuity based on innovation based on creativity. Innovation is the success key of Samarinda's tourism potential to be more competitive and faster-growing following the people's needs. The success of Samarinda's tourism in the future depends on the ability of government and service providers to present more attractive, diverse, competitive objects and facilitate transactions, according to the people's needs. Object innovation should be a priority strategy for Samarinda's tourism because innovation has an important role in a competitive marketplace. Therefore, Samarinda's tourism industry must be able to continue to make new innovations.

The process of knowledge management in Samarinda's tourism based on relationships and cooperation with some expert's advice, it can be done by comparing tourism objects from other places. Another phenomenon of the condition can be seen from the establishment of tourism objects that are similar to those in other parts of Indonesia. Furthermore, the activities of interpreting and developing the knowledge itself have been done and become a shared commitment through government tourism office teamwork and sharing of knowledge and experience among tourism industry entrepreneurs. In the process of information and knowledge dissemination to the local community. Samarinda's tourism is expected to have a formal mechanism that guarantees best practices among various fields of activity, including individual involvement or teamwork, the use of communication tools in the knowledge dissemination process, develops an integrated model of dynamic knowledge development. Knowledge is a dynamic thing because it is created in social interaction between individuals and organizations. Knowledge is a specific context because it depends on a certain time and space. Without information into context, it's the same information, not knowledge. Information becomes knowledge when interpreted by individuals and is given context and anchored in individual beliefs and commitments [27]. The Samarinda Tourism Office should not only show a charismatic figure in having amazing abilities and skills for employees and ideal behavior to set aside personal interest and role models for employees but also enthusiastically support all tourism development efforts. Meanwhile, the attention of the leadership in the form of direct communication to tourism industry entrepreneurs and the local community [24]. Samarinda Tourism Office who are able to inspire are considered less representative in explaining transformational leadership in Samarinda tourism development. Direct communication from the office to tourism industry entrepreneurs and the local community informal or non-formal meetings as a support form and encouragement that builds tourism business confidence. It has a positive impact on finding task completion tips. In relation to this matter, the figure of Samarinda Tourism Office leadership is not enough to only generate a high learning spirit for the tourism industry entrepreneurs and the local community, but also respect and listen to their complaints.

#### **4. Conclusion**

Transformational leadership strategies resulting in better organizational learning and knowledge management skills, ultimately contributing to tourism organizational innovation. In order for effective knowledge management and properly implemented for Samarinda tourism development. The main principles are the importance of the Samarinda Tourism Office role in making all the tourism industry entrepreneurs understand how clear vision and strategy by utilizing knowledge management to developing the business. Samarinda tourism development needs the support of technology capabilities in creating comfort and accessibility, support for the acquisition of knowledge from within and outside the organization, including dissemination and application of knowledge to business to enable knowledge management in goals achieving, as well as a combination of knowledgeable tourism entrepreneurs and the local community with commitment and determination to learning, to bring knowledge in developing and solving problems in this business [17]. Samarinda Tourism Office must motivate and create a learning culture, exchange, and share knowledge through various activities, seminars, group activities, and teamwork, which require a constant effort. Management of the organization, application of knowledge in work procedures, and responsibilities of tourism should be conducive encouraged as a continuous and serious process.

#### **5. Implication**

Samarinda Tourism Office should be able to improve and develop the competence of its tourism industry entrepreneurs to start best practices including improving the organization's competitive ability. Organizational learning should be undertaken by every individual in the tourism industry. Individual learning occurs when a person acquires knowledge through education, experience, or experimentation as a routine to acquire, distribute, integrate, and create information and knowledge among members of the organization. Organizational learning in Samarinda tourism is formed when organizational systems and cultures are concerned with learning and transferring new ideas to all tourism industry entrepreneurs and the local community.

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#### **7. Conflict of interest**

We declare no conflict interest from this article.

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