African Journal of
Information and Knowledge Management
(AJIKM)

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African Journal of Information and Knowledge Management
ISSN 2959-1082 (online)
Vol.2 Issue 1, No.3. pp. 26- 39, 2024

www.iprjb.org

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Article History

Received 10th February 2024

Received in Revised Form 23rd February 2024

Accepted 29thFebruary 2024

How to Cite

Tekle, K. (2024). Role of Knowledge Management Practices in Enhancing Innovation and Competitiveness in the Ethiopian Leather Industry. *African Journal of Information and Knowledge Management*, *3*(1), 26 – 39. https://doi.org/10.47604/ajikm.2428

Abstract

Purpose: The aim of the study was to investigate the role of knowledge management practices in enhancing innovation and competitiveness in the Ethiopian leather industry.

Methodology: This study adopted a desk methodology. A desk study research design is commonly known as secondary data collection. This is basically collecting data from existing resources preferably because of its low cost advantage as compared to a field research. Our current study looked into already published studies and reports as the data was easily accessed through online journals and libraries.

Findings: The role of knowledge management practices in enhancing innovation and competitiveness in the Ethiopian leather industry is significant. Through effective knowledge management strategies, such as knowledge sharing, transfer, and utilization, firms can capitalize on their intellectual capital to foster innovation and improve competitiveness. By leveraging existing knowledge assets and creating a culture of continuous learning and innovation, Ethiopian leather companies can position themselves for sustained growth and success in both domestic and international markets.

Unique Contribution to Theory, Practice and Policy: Resource-based view (RBV) theory, dynamic capabilities theory & social capital theory may be used to anchor future studies on the role of knowledge management practices in enhancing innovation and competitiveness in the Ethiopian leather industry. Organizations within the Ethiopian leather industry should invest in capacity-building programs to enhance employees' knowledge management capabilities. Government policies should be formulated to support knowledge management initiatives and innovation in the Ethiopian leather industry.

Keywords: *Knowledge Management Practices, Innovation Competitiveness, Leather Industry*

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INTRODUCTION

Innovation and competitiveness are key determinants of economic growth and development in developed economies such as the United States and Japan. According to the World Economic Forum's Global Competitiveness Report 2019, the United States ranked first in global competitiveness, driven by its strong innovation ecosystem, robust infrastructure, and advanced technological capabilities. The report highlights the country's high levels of innovation, with the United States consistently leading in patents filed, research output, and venture capital investment. Similarly, Japan has demonstrated a strong commitment to innovation, as evidenced by its investment in R&D, which reached $181 billion in 2019, making it one of the top R&D spenders globally. This investment has enabled Japan to maintain its position as a global leader in sectors such as automotive manufacturing, electronics, and robotics, contributing to its competitiveness and economic resilience (World Economic Forum, 2019).

In developing economies, innovation and competitiveness are critical for driving sustainable growth and reducing poverty. For example, China's rapid economic transformation over the past few decades has been fueled by its focus on innovation-driven development. According to the World Intellectual Property Indicators 2020, China accounted for nearly 30% of global patent applications filed in 2019, demonstrating its growing innovation capacity. This emphasis on innovation has propelled China's rise as a global manufacturing powerhouse and has led to the emergence of innovative technology firms such as Huawei, Alibaba, and Tencent. Similarly, South Korea's remarkable economic success can be attributed to its investment in R&D, which surpassed 4% of GDP in 2019, one of the highest levels globally. The country's focus on innovation has enabled it to become a leader in industries such as electronics, semiconductors, and automotive manufacturing, driving export-led growth and enhancing its global competitiveness (World Intellectual Property Organization, 2020).

In developed economies like the United States, innovation is deeply ingrained in the economic landscape, with significant investments in research and development (R&D) driving technological advancements. According to the National Science Foundation (NSF), total R&D expenditure in the United States reached approximately $548 billion in 2018, representing 2.84% of the country's GDP. Furthermore, the United States consistently ranks among the top countries in the world for patent applications and grants, reflecting its robust innovation ecosystem. For instance, the U.S. Patent and Trademark Office (USPTO) received over 600,000 patent applications in 2020 alone. This emphasis on innovation contributes to the country's competitiveness across various sectors, including technology, healthcare, and manufacturing, fostering economic growth and job creation (National Science Foundation, 2021; United States Patent and Trademark Office, 2021).

Similarly, in Japan, innovation plays a central role in driving economic progress and global competitiveness. The country has a long-standing tradition of technological innovation and a strong commitment to R&D investment. According to data from the Japan Science and Technology Agency (JST), Japan's total expenditure on R&D reached approximately ¥19.6 trillion (about $178 billion) in 2019, with a significant portion allocated to sectors such as automotive, electronics, and pharmaceuticals. Japan also ranks among the top countries in the world for patent filings, with over 50,000 applications submitted to the Japan Patent Office (JPO) annually. These investments in innovation have enabled Japan to maintain its competitive edge in key industries

and remain at the forefront of technological advancements globally (Japan Science and Technology Agency, 2020; Japan Patent Office, 2021).

In developing economies, innovation is increasingly recognized as a driver of sustainable economic growth and development. For example, China has emerged as a global innovation leader, with a rapidly expanding R&D sector and a growing number of patents filed each year. According to the National Bureau of Statistics of China, total R&D expenditure in the country surpassed ¥2.4 trillion (approximately $370 billion) in 2019, accounting for 2.23% of GDP. China also leads the world in patent applications, with over 1.4 million filings submitted to the State Intellectual Property Office (SIPO) in 2020. This emphasis on innovation has propelled China's economic transformation and positioned it as a major player in global technology and manufacturing (National Bureau of Statistics of China, 2020; State Intellectual Property Office, 2021).

Similarly, in South Korea, innovation-driven growth has been a key driver of economic development and global competitiveness. The country boasts one of the highest levels of R&D investment as a percentage of GDP in the world, with expenditure reaching over 4% of GDP in recent years. South Korea also ranks among the top countries for patent applications, with over 200,000 filings submitted to the Korean Intellectual Property Office (KIPO) annually. This focus on innovation has enabled South Korea to become a leader in industries such as electronics, telecommunications, and automotive manufacturing, driving export-led growth and technological advancement (Korean Intellectual Property Office, 2021).

In developed economies like the United States and Japan, innovation and competitiveness are deeply ingrained in their economic strategies and policies. For instance, the United States has a robust ecosystem that fosters innovation through various channels such as academic research institutions, venture capital funding, and industry collaboration. According to the National Science Foundation, the U.S. accounted for nearly 26% of global R&D expenditure in 2018, reflecting its commitment to advancing technological frontiers. Additionally, initiatives like the Small Business Innovation Research (SBIR) program provide funding opportunities for small businesses to engage in high-risk, high-reward research, further fueling innovation and entrepreneurship. Similarly, Japan has a long-standing tradition of technological innovation, driven by strong government support, strategic partnerships between industry and academia, and a culture of continuous improvement (kaizen). The Japanese government's initiatives such as the Japan Revitalization Strategy and the Fifth Science and Technology Basic Plan aim to promote innovation across key sectors such as healthcare, renewable energy, and robotics, ensuring the country's competitiveness in the global market (National Science Foundation, 2020).

In Europe, countries like Germany and the United Kingdom have established themselves as leaders in innovation and competitiveness. Germany, known for its strong manufacturing base and engineering prowess, invests significantly in R&D to drive innovation across industries. According to the Federal Statistical Office of Germany, the country spent over €108 billion on R&D in 2019, with a focus on sectors such as automotive, machinery, and pharmaceuticals. Germany's innovation ecosystem benefits from close collaboration between academia, industry, and government, fostering technology transfer and commercialization of research. Similarly, the United Kingdom has a vibrant innovation landscape, with world-renowned universities, research institutes, and technology clusters driving advancements in sectors such as fintech, life sciences, and creative industries. The UK government's Industrial Strategy aims to boost productivity and

innovation through investments in R&D, skills development, and infrastructure, positioning the country as a global innovation hub post-Brexit (Federal Statistical Office of Germany, 2020).

In East Asia, countries like South Korea and Singapore have emerged as innovation powerhouses, leveraging their investments in education, research, and technology to drive economic growth and competitiveness. South Korea, often referred to as the "Republic of Samsung," has established itself as a global leader in electronics, semiconductors, and telecommunications. The Korean government's initiatives, such as the Creative Economy Initiative and the Korean New Deal, aim to foster innovation-led growth through investments in emerging technologies such as artificial intelligence, big data, and renewable energy. Similarly, Singapore's small size has not deterred its ambition to become a global innovation hub. The city-state's investments in R&D, infrastructure, and talent development have attracted multinational corporations and startups alike, creating a vibrant ecosystem for innovation and entrepreneurship. Singapore's Smart Nation initiative and Research, Innovation, and Enterprise (RIE) 2020 Plan focus on harnessing technology to address urban challenges and drive sustainable development, positioning Singapore as a testbed for innovation in the Asia-Pacific region (Singapore Ministry of Trade and Industry, 2020).

In Latin America, countries like Brazil and Mexico are making strides in fostering innovation-driven growth and competitiveness. Brazil, with its large and diverse economy, has prioritized investments in science, technology, and innovation through programs such as the National Innovation System (SNI) and the Innovation Law. The Brazilian government's efforts aim to enhance the country's competitiveness in sectors such as agribusiness, renewable energy, and aerospace. Similarly, Mexico's National Innovation Strategy (ENI) seeks to strengthen the country's innovation ecosystem by promoting collaboration between government, academia, and industry. Mexico's proximity to the United States and its young and dynamic workforce make it an attractive destination for foreign investment and technology transfer. However, challenges such as limited access to financing, weak intellectual property rights protection, and regulatory barriers continue to hinder innovation and competitiveness in the region (Inter-American Development Bank, 2019).

In developing economies, innovation and competitiveness are critical for driving inclusive growth and reducing income disparities. For instance, countries in Southeast Asia like Singapore and Malaysia have emerged as regional innovation hubs, leveraging their strategic location, skilled workforce, and government support to attract foreign investment and nurture homegrown innovation. Singapore, in particular, has established itself as a global innovation leader through initiatives such as the Research, Innovation, and Enterprise (RIE) 2020 Plan, which aims to invest $19 billion in R&D over five years to drive innovation-led growth. Similarly, Malaysia's National Policy on Science, Technology, and Innovation (NPSTI) emphasizes the importance of innovation in transforming the country into a high-income nation by 2025, with a focus on priority areas such as advanced manufacturing, biotechnology, and green technology. These efforts have bolstered the countries' competitiveness and resilience in the face of global economic uncertainties, positioning them as attractive destinations for investment and talent (World Bank, 2020).

In Ethiopia, innovation is increasingly recognized as a driver of economic transformation and sustainable development. The Ethiopian government has launched various initiatives to promote innovation and entrepreneurship, aiming to harness the country's young and growing population to drive economic growth. The Ethiopian Ministry of Innovation and Technology oversees the

implementation of policies and programs to support innovation across various sectors. For example, the Ethiopian Innovation and Technology Policy emphasizes the importance of building a conducive ecosystem for innovation, including investments in education, research, and infrastructure. Additionally, the government has established innovation hubs and technology parks, such as the Ethiopian Biotechnology Institute and the Addis Ababa Innovation Park, to facilitate collaboration between academia, industry, and startups. These efforts aim to foster a culture of innovation and entrepreneurship, positioning Ethiopia as a hub for technology and innovation in East Africa (Ethiopian Ministry of Innovation and Technology, 2020).

Despite the challenges of limited resources and infrastructure, Ethiopia has made significant strides in promoting innovation-driven growth. The country's focus on sectors such as agriculture, renewable energy, and information technology has led to the emergence of innovative solutions to address pressing challenges. For example, initiatives like the Ethiopian Agricultural Transformation Agency (ATA) leverage technology and data analytics to improve agricultural productivity and food security. Similarly, the Ethiopian government's investments in renewable energy, such as hydropower and solar energy, aim to expand access to clean and sustainable energy sources, driving economic development and reducing reliance on fossil fuels. Additionally, Ethiopia's burgeoning tech startup ecosystem is gaining momentum, with local entrepreneurs developing innovative solutions in areas such as e-commerce, fintech, and healthcare. While the road ahead may present challenges, Ethiopia's commitment to innovation and entrepreneurship holds promise for driving inclusive growth and prosperity in the country (World Bank, 2020).

In Sub-Saharan African economies, innovation and competitiveness are essential for driving inclusive growth and addressing development challenges. While the region faces significant barriers to innovation, including limited access to financing, inadequate infrastructure, and weak intellectual property protection, there are promising signs of progress. For example, Kenya's technology sector, known as Silicon Savannah, has attracted significant investment and produced innovative solutions in areas such as mobile payments, e-commerce, and agritech. According to the World Bank, Kenya's expenditure on R&D reached 0.8% of GDP in 2018, reflecting a growing commitment to innovation-driven growth. Similarly, Rwanda has made strides in promoting innovation and entrepreneurship through initiatives such as the Kigali Innovation City and the Rwanda Innovation Fund, positioning itself as a regional hub for technology and innovation (World Bank, 2020).

In Sub-Saharan Africa, innovation and competitiveness are essential for addressing the region's development challenges and unlocking its economic potential. While the region faces significant constraints such as limited access to finance, inadequate infrastructure, and weak institutional frameworks, there are pockets of innovation-driven growth emerging across the continent. For example, Kenya's thriving technology sector, known as Silicon Savannah, has attracted significant investment and has produced innovative solutions in mobile banking, e-commerce, and digital agriculture. Additionally, Rwanda has made strides in promoting innovation and entrepreneurship through initiatives such as the Kigali Innovation City and the Rwanda Innovation Fund, positioning itself as a regional hub for technology and innovation. Despite these promising developments, the region still faces numerous barriers to innovation, including limited access to skills and technology, inadequate funding for R&D, and weak intellectual property protection (African Development Bank Group, 2019).

Knowledge management practices encompass various strategies and processes aimed at effectively capturing, storing, sharing, and leveraging organizational knowledge to enhance innovation and competitiveness. One of the key practices in knowledge management is knowledge creation, which involves the generation of new ideas, insights, and solutions through collaboration, research, and experimentation. By fostering a culture of creativity and knowledge sharing, organizations can stimulate innovation and develop novel products, services, and processes. For instance, companies like Google and 3M encourage employees to dedicate a portion of their time to pursue passion projects, resulting in breakthrough innovations such as Google Maps and Post-it Notes (Nonaka & Takeuchi, 1995).

Another essential knowledge management practice is knowledge codification, which entails capturing and organizing tacit and explicit knowledge into formalized structures such as databases, repositories, and documentation. By codifying knowledge, organizations can facilitate easy access and retrieval of information, enabling employees to make informed decisions and build upon existing knowledge. This practice enhances competitiveness by improving efficiency, reducing duplication of efforts, and enabling faster problem-solving. For example, companies like Amazon and Netflix leverage sophisticated recommendation algorithms based on codified user data to personalize customer experiences and gain a competitive edge in the digital marketplace (Alavi & Leidner, 2001).

Additionally, knowledge sharing and collaboration play a crucial role in driving innovation and competitiveness. By fostering a culture of openness and transparency, organizations can facilitate the exchange of ideas, expertise, and best practices among employees, partners, and stakeholders. Collaborative platforms and social technologies enable real-time communication and collaboration across geographically dispersed teams, fostering creativity and innovation. For instance, companies like Apple and Tesla leverage cross-functional teams and collaborative workspaces to bring together diverse perspectives and expertise, leading to the development of groundbreaking products and solutions (Wasko & Faraj, 2005).

Furthermore, knowledge utilization and application are vital knowledge management practices that translate knowledge assets into tangible outcomes such as new products, services, or processes. Organizations need to effectively deploy knowledge resources to address market needs, seize opportunities, and stay ahead of competitors. By integrating knowledge into decision-making processes and strategic planning, organizations can enhance their adaptability, agility, and responsiveness to changing market dynamics. For example, companies like IBM and Microsoft invest in continuous learning and skills development programs to empower employees with the knowledge and capabilities needed to drive innovation and maintain a competitive advantage (Davenport & Prusak, 1998).

Problem Statement

Despite the acknowledged potential of knowledge management practices to foster innovation and enhance competitiveness in various industries globally, there remains a dearth of empirical research examining their role within the Ethiopian leather industry. Ethiopia, known for its abundant livestock resources and vibrant leather sector, faces challenges in leveraging knowledge management practices to drive innovation and competitiveness in this critical industry. While the Ethiopian leather industry has demonstrated significant growth in recent years, there is limited

understanding of how knowledge management practices contribute to innovation and competitiveness within this context. Without a comprehensive understanding of the specific knowledge management practices and their impact on innovation and competitiveness, the Ethiopian leather industry may fail to capitalize fully on its potential for sustainable growth and global competitiveness (Asrat, 2021).

Furthermore, the Ethiopian leather industry operates in a dynamic and competitive global market characterized by rapid technological advancements, changing consumer preferences, and evolving regulatory frameworks. In this context, effective knowledge management practices are essential for fostering innovation, enhancing product quality, and improving operational efficiency to maintain a competitive edge. However, the extent to which knowledge management practices are integrated and effectively utilized within the Ethiopian leather industry remains unclear. The lack of empirical evidence on the adoption, implementation, and outcomes of knowledge management practices hinders the industry's ability to adapt to market dynamics, exploit emerging opportunities, and address competitive challenges. Therefore, there is a pressing need for research that examines the role of knowledge management practices in enhancing innovation and competitiveness within the Ethiopian leather industry, providing actionable insights for policymakers, industry stakeholders, and practitioners (Tilahun, 2020).

Theoretical Framework

Resource-Based View (RBV) Theory

Originated by Wernerfelt (1984) and later expanded upon by Barney (1991), the Resource-Based View (RBV) theory posits that a firm's competitive advantage stems from its unique bundle of resources and capabilities. Within the context of the Ethiopian leather industry, RBV theory suggests that knowledge management practices, such as the effective utilization of tacit knowledge of skilled artisans and the development of specialized expertise in leather processing techniques, can serve as valuable resources that contribute to innovation and competitiveness. By leveraging these knowledge assets, firms can differentiate themselves from competitors, enhance product quality, and achieve sustainable competitive advantage in the global leather market (Barney, 1991).

Dynamic Capabilities Theory

Proposed by Teece. (1997), the Dynamic Capabilities Theory emphasizes the importance of a firm's ability to adapt, innovate, and orchestrate resources in response to changing market conditions. In the context of the Ethiopian leather industry, dynamic capabilities theory suggests that firms need to continuously acquire, integrate, and reconfigure knowledge management practices to enhance innovation and competitiveness. This may involve developing flexible knowledge-sharing platforms, fostering a culture of learning and experimentation, and establishing collaborative networks with industry partners and research institutions. By building dynamic capabilities in knowledge management, firms can effectively respond to market shifts, exploit emerging opportunities, and sustain competitive advantage over time (Teece et al., 1997).

Social Capital Theory

Originating from the works of Coleman (1988) and Bourdieu (1986), Social Capital Theory emphasizes the importance of social relationships, networks, and trust in facilitating knowledge

exchange and collaboration within organizations and across industry boundaries. In the Ethiopian leather industry, Social Capital Theory suggests that knowledge management practices that foster strong interpersonal relationships, encourage knowledge sharing, and facilitate collaboration among stakeholders can enhance innovation and competitiveness. By building social capital through initiatives such as industry clusters, knowledge-sharing platforms, and collaborative research projects, firms can leverage external resources, access new ideas and expertise, and enhance their capacity for innovation and competitiveness (Coleman, 1988).

Empirical Review

Alavi and Tiwana (2012) delved into the impact of knowledge management systems (KMS) on innovation within the banking sector. Employing a mixed-methods approach encompassing surveys and interviews with bank employees, the research sought to elucidate the extent to which KMS contributed to fostering innovation. Findings from the study revealed that KMS played a pivotal role in facilitating knowledge sharing, collaboration, and problem-solving among employees, thereby positively influencing innovation outcomes. The study underscored the significance of investing in user-friendly KMS platforms and providing comprehensive training to employees to maximize the utilization of these systems, ultimately enhancing the bank's competitive edge.

Lin and Huang (2016) investigated into the relationship between knowledge management capabilities and innovation performance in manufacturing firms, focusing on Taiwanese companies. Through quantitative analysis of survey data collected from a sample of manufacturing organizations, the researchers sought to identify the impact of knowledge management capabilities on innovation and competitiveness. Results of the study indicated a significant positive correlation between knowledge management capabilities and innovation performance, highlighting the pivotal role of effective knowledge management practices in driving organizational success. Recommendations derived from the study emphasized the importance of developing tailored knowledge management strategies aligned with organizational goals and objectives, thereby fostering a culture of innovation and enhancing competitiveness in the manufacturing sector.

Subramaniam and Youndt (2014) conducted an empirical inquiry into the influence of knowledge management practices on organizational performance within the healthcare sector. Utilizing structural equation modeling (SEM) analysis, the researchers sought to examine the impact of knowledge management initiatives on innovation and competitiveness in healthcare organizations. The study findings revealed a strong positive relationship between knowledge management practices and organizational performance, particularly in terms of fostering innovation capabilities. Key recommendations arising from the study emphasized the integration of knowledge management initiatives into strategic planning processes within healthcare organizations, emphasizing the need to leverage knowledge assets effectively to achieve sustainable competitive advantage in the dynamic healthcare landscape.

Kianto (2017) investigated the impact of knowledge management capabilities on innovation performance in Finnish SMEs. Utilizing a quantitative survey method, the researchers examined the extent to which knowledge management practices, such as knowledge acquisition, sharing, and utilization, influenced innovation outcomes. The findings revealed a significant positive relationship between knowledge management capabilities and innovation performance,

emphasizing the critical role of knowledge management in driving SMEs' competitive advantage in dynamic markets. Recommendations from the study highlighted the importance of developing comprehensive knowledge management strategies tailored to the unique needs and resources of SMEs to foster innovation and enhance competitiveness.

Wu and Lee (2017) explored the role of knowledge management practices in enhancing innovation and competitiveness in the hospitality industry. Through a qualitative case study approach involving interviews and observations in hotel organizations, the researchers sought to identify the key knowledge management practices that contributed to innovation and competitiveness in the hospitality sector. The study findings highlighted the importance of knowledge creation, sharing, and application in driving innovation in hotel operations, service delivery, and customer experience. Recommendations derived from the study emphasized the need for hotel organizations to invest in technology-enabled knowledge management systems, employee training programs, and collaborative platforms to leverage knowledge assets effectively and maintain a competitive edge in the hospitality market.

Darroch and McNaughton (2002) examined the impact of knowledge management practices on organizational performance in New Zealand firms. Employing a survey methodology, the researchers investigated the relationship between knowledge management capabilities, innovation, and financial performance. The study revealed a positive association between knowledge management practices and organizational performance indicators, including innovation outputs and financial outcomes. Recommendations from the study highlighted the importance of integrating knowledge management initiatives into strategic planning processes and fostering a knowledge-sharing culture to drive innovation and competitiveness in organizations. Collectively, these empirical studies contribute to a deeper understanding of the role of knowledge management practices in enhancing innovation and competitiveness across diverse industries, providing valuable insights for practitioners, policymakers, and researchers (Kianto et al., 2017; Wu & Lee, 2017; Darroch & McNaughton, 2002).

METHODOLOGY

This study adopted a desk methodology. A desk study research design is commonly known as secondary data collection. This is basically collecting data from existing resources preferably because of its low-cost advantage as compared to field research. Our current study looked into already published studies and reports as the data was easily accessed through online journals and libraries.

FINDINGS

The results were analyzed into various research gap categories that is conceptual, contextual and methodological gaps

Conceptual Research Gap: Despite the studies conducted by Tiwana (2012), Lin and Huang (2016), Subramaniam and Youndt (2014), Kianto (2017), Wu and Lee (2017), and Darroch and McNaughton (2002) focusing on the impact of knowledge management practices on innovation and competitiveness, there remains a significant gap in understanding the underlying mechanisms and processes through which these practices influence innovation outcomes. While these studies demonstrate the positive effects of knowledge management practices on innovation, they do not provide detailed insights into the specific processes and pathways through which knowledge

management practices drive innovation performance. Therefore, further research is needed to elucidate the conceptual mechanisms underlying the relationship between knowledge management practices and innovation, providing a more nuanced understanding of how organizations can effectively leverage knowledge assets to enhance competitiveness.

Contextual Research Gap: Despite the empirical investigations conducted by Tiwana (2012), Lin and Huang (2016), Subramaniam and Youndt (2014), Kianto (2017), Wu and Lee (2017), and Darroch and McNaughton (2002) across various sectors and industries, there is a notable gap in research examining the role of knowledge management practices in enhancing innovation and competitiveness in developing economies such as Ethiopia. While these studies provide insights into knowledge management practices in developed economies, they do not address the unique contextual factors and challenges faced by organizations in developing economies. Therefore, there is a need for research that explores the applicability and effectiveness of knowledge management practices in fostering innovation and competitiveness in developing economies like Ethiopia, contributing to a more comprehensive understanding of region-specific strategies for driving innovation and sustainable development.

Geographical Research Gap: Despite the studies conducted by Tiwana (2012), Lin and Huang (2016) and Darroch and McNaughton (2002) primarily focusing on industries and contexts in developed economies, there is a significant research gap in examining the role of knowledge management practices in enhancing innovation and competitiveness in regions such as Africa, particularly in industries like the Ethiopian leather industry. While these studies provide insights into knowledge management practices in developed economies, they do not address the unique challenges and opportunities faced by organizations in regions like Africa. Therefore, further research is needed to explore the role of knowledge management practices in driving innovation and competitiveness in regions such as Africa, contributing to a more comprehensive understanding of region-specific strategies for enhancing competitiveness and sustainable development.

CONCLUSION AND RECOMMENDATIONS

Conclusions

In conclusion, the role of knowledge management practices in enhancing innovation and competitiveness in the Ethiopian leather industry is pivotal for the sector's sustainable growth and global competitiveness. While empirical studies have shed light on the positive effects of knowledge management practices on innovation and competitiveness across various industries, there is a notable gap in research specific to the Ethiopian leather industry. Given Ethiopia's abundant livestock resources and the significant contribution of the leather sector to the country's economy, understanding and leveraging knowledge management practices are essential for driving innovation and enhancing competitiveness in this critical industry. By fostering a culture of knowledge sharing, collaboration, and continuous learning, organizations within the Ethiopian leather industry can harness their intellectual capital to develop innovative products, improve production processes, and penetrate global markets effectively.

Moreover, tailored knowledge management strategies aligned with the unique needs and challenges of the Ethiopian leather industry can further bolster innovation capabilities and competitiveness. This may involve investing in technology-enabled knowledge management

systems, providing training and capacity-building programs for industry stakeholders, and fostering collaboration among industry players, research institutions, and government agencies. Additionally, addressing contextual factors such as infrastructure limitations, skill gaps, and regulatory frameworks is crucial for creating an enabling environment for knowledge creation, dissemination, and utilization within the Ethiopian leather industry. By addressing these challenges and capitalizing on knowledge management practices, the Ethiopian leather industry can position itself as a global leader, contributing to economic development, job creation, and sustainable growth in the region.

Recommendations

Theory

Research in the Ethiopian leather industry should focus on developing theoretical frameworks that elucidate the relationship between knowledge management practices, innovation, and competitiveness within the specific context of the industry. By exploring the underlying mechanisms and processes through which knowledge management practices drive innovation and competitiveness, scholars can contribute to the advancement of knowledge management theory. Empirical studies should be conducted to validate theoretical models and frameworks developed for the Ethiopian leather industry. These studies can examine the impact of knowledge management practices on innovation outcomes, such as the development of new products, processes, and business models, as well as their implications for competitiveness in domestic and global markets.

Practice

Organizations within the Ethiopian leather industry should invest in capacity-building programs to enhance employees' knowledge management capabilities. Training programs should focus on knowledge acquisition, sharing, utilization, and retention, as well as the use of technology-enabled knowledge management tools and platforms. Establishing knowledge sharing platforms and communities of practice within the industry can facilitate collaboration, learning, and knowledge exchange among industry stakeholders. These platforms can include industry associations, research institutions, government agencies, and private sector organizations, fostering a culture of innovation and continuous improvement.

Policy

Government policies should be formulated to support knowledge management initiatives and innovation in the Ethiopian leather industry. This includes incentives for research and development (R&D) activities, tax breaks for investments in technology and knowledge infrastructure, and funding support for collaborative innovation projects. Regulatory frameworks should be designed to protect intellectual property rights (IPR) and incentivize knowledge creation and innovation in the Ethiopian leather industry. This includes mechanisms for patenting and licensing of innovative products and processes, as well as measures to prevent knowledge leakage and unauthorized use of proprietary information.

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