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Executives must have an understanding of the concept of knowledge itself. Knowledge is identified as a multi-faceted concept and is distinct from information and data. Knowledge is quite elusive and is changing on a day-to-day basis with discontinued products and the ever changing vast array of technology. Therefore, to counter the above definition of knowledge, Ruggles defines knowledge as a blend of information, experiences and codes. The key take-away for executives is that knowledge is a resource that enables organizations to solve problems and create value through improved performance and

it is this point that will narrow the gaps of success and failure leading to more successful decision-making.

**EXECUTES STILL WONDER** where is knowledge and how can it be utilized when it comes to decision-making. Scholars found that within organizations, knowledge resides in various areas such as management, employees, culture, structure, systems, processes and relationships.

Organizational knowledge cannot merely be described as the sum of individual knowledge, but as a systematic combination of knowledge based on social interactions shared among organizational members. Executives, being more conceptual, agree with Tsoukas who determines organizational knowledge as a collective mind, and Jones and Leonard who explain organizational knowledge as the knowledge that exists in the organization as a whole. Most importantly, organizational knowledge is owned and disseminated by the organization. To analyze knowledge in organizations, there are two important taxonomies of organizational knowledge that need to be discussed.

### Tacit and Explicit

Why would executives care whether knowledge is tacit or explicit? The simple answer is that tacit knowledge is not shared and sometimes bottled up in individuals causing a bottleneck in the organization. If knowledge can be categorized as tacit and explicit knowledge then how can executives manage knowledge to enhance productivity?



Tacit knowledge is knowledge that exists in the minds of organizational members, which is gained by their individual experiences.

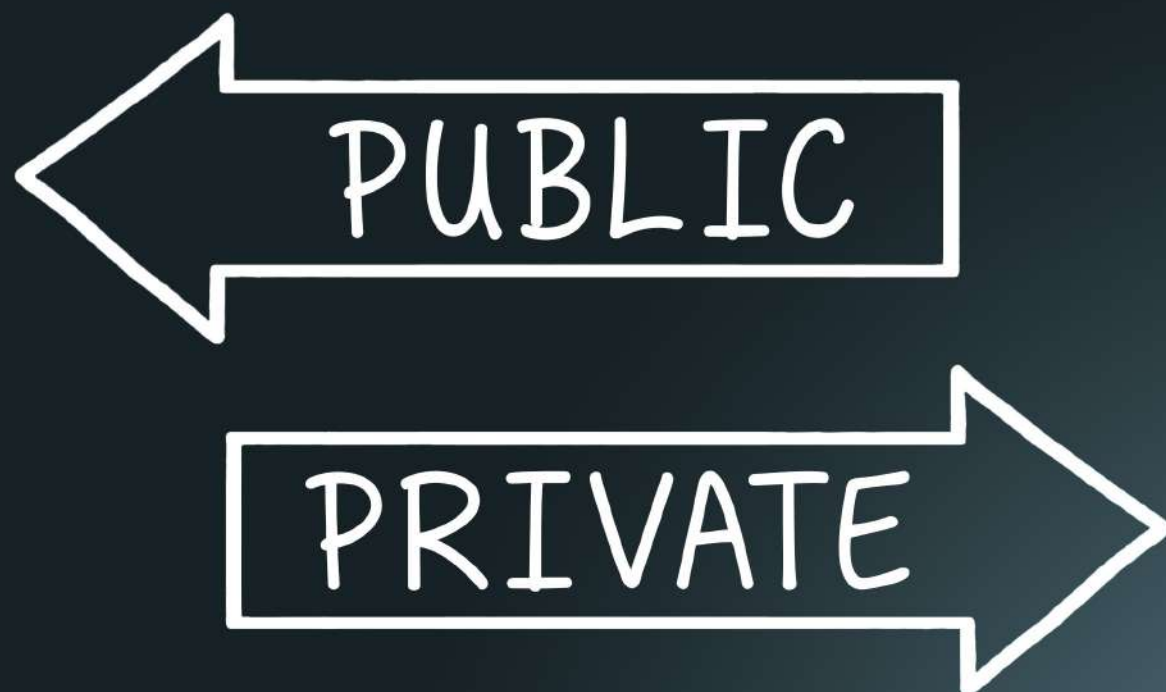
Since tacit knowledge is knowledge that exists in the minds of organizational members, which is gained by their individual experiences, and is difficult to formalize and transfer unless directed to do so, executives need to pinpoint and encourage this type of knowledge to be drawn out of followers.

More controllable, explicit knowledge is knowledge that is highly formalized and codified, and can be easily recorded and communicated through formal and systematic language, and manifested in rules and procedures providing the necessary tools and processes for executives

to manage. It can also be captured in expert systems and tapped by many people throughout the organization via intranet. Executives know that explicit knowledge is more formal and has the potential to be more easily shared. When it is expressed in words and specifications, it is much more useful compared to tacit knowledge.

### Private and Public

Since executives are constantly dealing with the public----especially if they are a publicly traded company, the private and public knowledge is something they pay a great deal of attention to.



The best approach to knowledge is for executives to recognize which knowledge is to remain private and which to go public with.

Of course, this is not new but worth mentioning. For example, a scholar by the name of Matusik, argues that knowledge in organizations can be categorized as either private or public knowledge and can be advantageous to executive decision-making.

Firm-specific knowledge must be guarded and not shared with the competition. Any leak of

such information may expose the organization and increase the operational risk. Contrary to private knowledge, public knowledge differs in that it is not unique for any organization. Public knowledge may be an asset and provide potential benefits when posted in social media and other means of communication.

It is important for executives to consider

the ownership of knowledge as a factor which is a significant contributor to the knowledge of organizations. Moreover, knowledge emerges in two additional forms, including the knowledge that is only accessible by one company and the knowledge that is accessible to all companies. The best approach to knowledge is for executives to know which knowledge

is to remain private and which to go public with. A mistake in this area may be vital to the organizations and executives must choose wisely.

Today the question arises whether the management of an organization's intellectual capital itself can be a source of effectiveness for leaders. In the next section, I pose that an ineffective knowledge management may expose organizations to missed opportunities and lack of using leadership opportunities to their benefit given the existing opportunities in international and domestic markets, and how this lack of judgment may concern stakeholders.

I also assume that the lack of an effective strategic knowledge management may lead to human assets to be ineffective. My final assumption addressed in this article is that the crucial role of knowledge management practices, such as coordinating and hosting the continuous sessions of company-wide experts to share their knowledge, may be underestimated and underutilized.

## Knowledge Management

Knowledge is firstly accumulated by creating new knowledge from organizational intellectual capital and acquiring knowledge from external environments. This knowledge exchange with external business partners develops innovative environments that can enable leaders to create a more innovative climate in companies. This knowledge process enhances the capabilities of leaders to play the role of inspirational motivation, which enables these leaders to directly set highly desired expectations to



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recognize possible opportunities in the business environment. The knowledge exchange also positively contributes to leaders to develop a more effective vision, including a more comprehensive array of information and insights about external environments.

Executives then integrate knowledge internally to enhance the effectiveness and efficiencies in various systems and processes,

as well as to be more responsive to market changes. Knowledge integration focuses on monitoring and evaluating knowledge management practices, coordinating experts, sharing knowledge and scanning the changes of knowledge requirements to keep the quality of their production or services in-line with market demand. It is apparent that knowledge integration activities can help leaders assessing

the required changes to keep the quality of both products and services at maximum levels. Furthermore, a systematic process of coordinating company-wide experts enables leaders to propel the role of intellectual stimulation, which creates a more innovative environment within companies.

Executives must also curtail the knowledge within organizations. The knowledge within organizations needs to be reconfigured to meet environmental changes and new challenges today. What worked yesterday or a few years ago is changing rapidly as technology has increased in a prolific way. Knowledge is globally shared with other organizations through domestic and global rewards such as the Malcolm Baldrige Award in the United States and the Deming Award in Japan.

However, past industry researches have posited that companies might lack the required capabilities or decide to decline from interacting with other companies, or even suffer the distrust to share their knowledge. Therefore, expert groups may not have sufficient diversity in order to comprehend knowledge acquired from external sources.

Based upon these limitations whether natural or caused, networking with business partners is a key activity for companies to enhance knowledge exchange and it should not take an award to be the impetus to initiate interaction. Ergo, networking with external business partners may enhance the effectiveness of leadership, thereby empowering leaders to better develop strategic insights to develop a more effective vision incorporating various

concerns and values of external business partners.

The knowledge transference among companies itself improves the effectiveness of learning, which in turn enables leaders to empower human resource through creating new knowledge and solutions. Thus, I suggest that networking take place among companies in both domestic and international markets which may enhance the effective use of leadership. Therefore, if leaders in senior positions effectively use knowledge management then they may be able to improve leadership effectiveness through increased learning opportunities.

## Conclusion

This article suggests that knowledge management constitutes the foundation of a supportive workplace to disseminate knowledge and subsequently enhance the effectiveness of leadership. Accordingly, I suggest that by channeling knowledge management practices into organizational constructs, engaging in the practices of leadership, that executives will continue to prosper. I also suggest that a firm's ability to develop leadership can be highly affected when executives implement knowledge management projects as the primary form of managing people, resources, and profitability.

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