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Once the important paradigm of knowledge management was accepted by both the scholars of the academy of management and executives, knowledge cycle model began to make sense. The focus of this article is based upon the critical role of knowledge cycle model which allows a rich basis to understanding the mechanisms by which competitive advantage is created.

**KNOWLEDGE, WITH ITS** wide classifications, can be classified into individual and collective knowledge. Executives recruit followers based on their individual knowledge which refers to the individual's skills, prior-knowledge,

and proficiencies or sometimes referred to competencies. Collective knowledge, on the other hand, has been defined as "organizing principles, routines and practices, top management schema, and relative organizational consensus on past experiences, goals, missions, competitors, and relationships that are widely diffused throughout the organization and held in common by a large number of organizational members". Thus, collective knowledge is part of the executive's protocol and comes fairly natural at the higher echelons of the organization.

Executives follow Thomas Davenport and Laurence Prusak's concern that concludes that if an executive cannot inspire its followers to share their individual knowledge with others, then this individual knowledge is not valuable to the organization.

Individual knowledge can, therefore, become a valuable resource by developing an organizational climate of openness for members to exchange their ideas and insights. Executives must create a climate of trust and openness for individuals to share individual knowledge. New technologies drawing on social-software systems through sharing individual knowledge around the organizations can positively contribute to create collective knowledge. Therefore, executives should build an atmosphere of trust and openness and use technology to convert individual knowledge into valuable resources for their organization to close the performance gap and help organizations prosper.

Knowledge can also be classified using



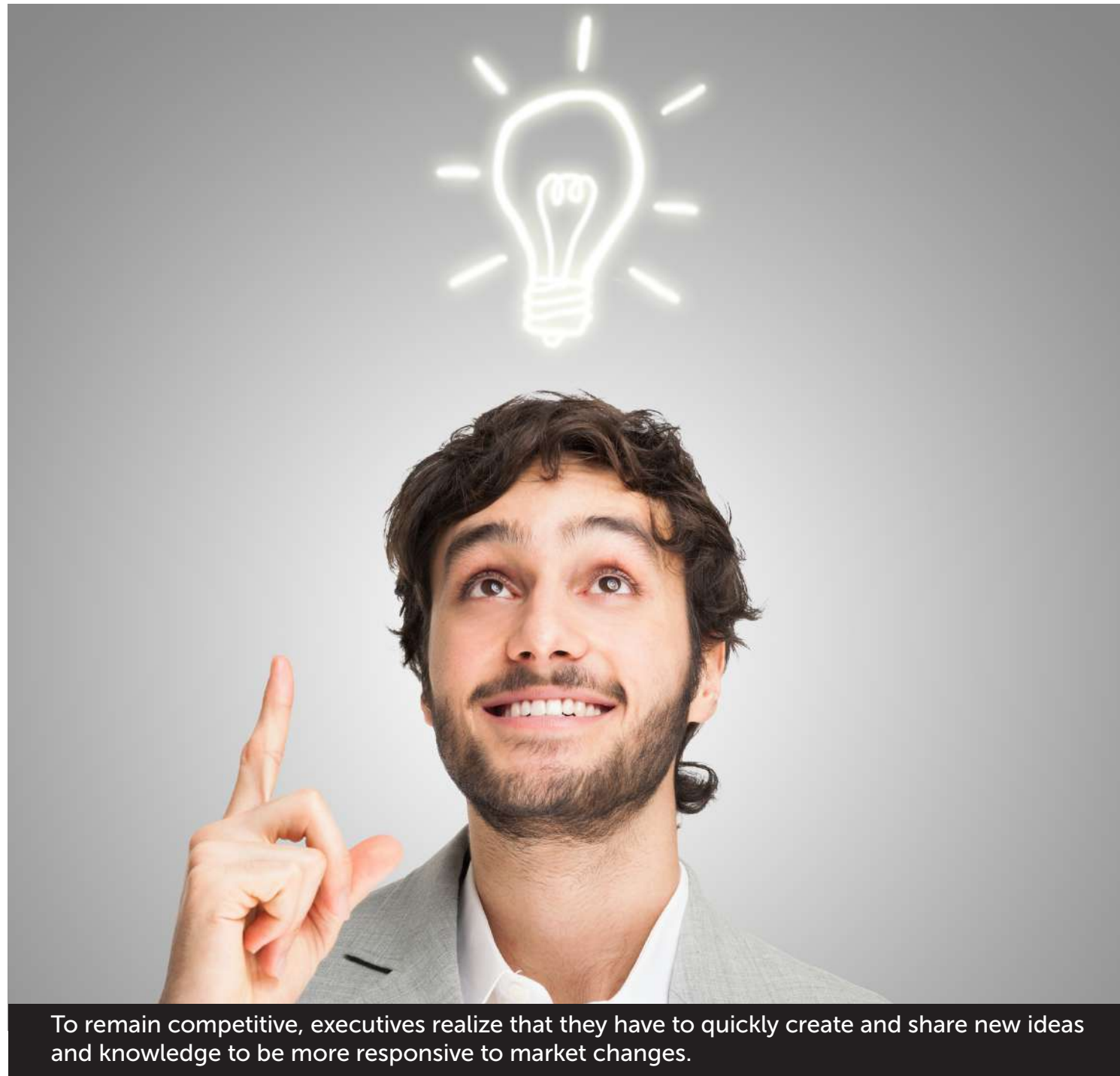
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individual, social, and structured dimensions. Executives can categorize followers based on their human knowledge which focuses on individual knowledge and manifests itself in individual's competencies and skills. This form of knowledge comprises the skills gained by individual experiences, and learned as rules and instructions formulated by executives for followers to use as a guide.

Social knowledge, on the other hand, is categorized as individual knowledge that is shared so that it can become collective

knowledge. Executives can use structured knowledge that emerges in formal language from annual reports, memos, and other means of communication to be represented as statements. Therefore, executives can classify knowledge in this way so that it emerges at three levels----individual (i.e. human), group (i.e. social) and organizational (i.e. structured).

Moreover, there is a scientific, philosophical, and commercial side to knowledge that executives should at least be aware of in today's hypercompetitive business environment.



Scientific knowledge is objective and manifests itself as provable and verifiable knowledge or truth, while philosophical knowledge clarifies that “truth is embedded in language and therefore inaccessible”.

The key for executives is that commercial knowledge, unlike scientific and philosophical

knowledge, focuses on enhancing effective performance. Answering the questions executives often ask: “What works?” Based on this view, this kind of knowledge empowers the capabilities of an organization, and actively improves its competitive advantage in the marketplace. Executives are already aware

that commercial knowledge takes an objective approach and can positively contribute to a firm’s performance. The key is how to use this knowledge, enhance it, distribute it, and capture it.

Executives now have a good handle on knowledge in corporations. It is safe to say that knowledge is a component of the more importance competence of a leader which is knowledge management. This next section provides a formalized application that can be implemented by executives when creating competitive advantage for companies.

### **Sustainable Advantage?**

Executives know that discontinuity exists at all levels of product and services and they do not want to find themselves caught off guard and become obsolete. To remain competitive, executives realize that they have to quickly create and share new ideas and knowledge to be more responsive to market changes. Importantly, knowledge held by organizational members is the most strategic resource for competitive advantage, and also through the way it is managed by executives.

Executives can enhance knowledge accumulation which is associated with coaching and mentoring activities by sharing experiences gained by imitating, observing and practicing. Executives can, in fact, help followers add meaningfulness to their work in ways enhancing a shared understanding among members to enhance engagement.

In the integration process, organizational knowledge is articulated into formal

language that represents official statements. Organizational knowledge is incorporated into formal language and subsequently becomes available to be shared within organizations. Executives have their internet technology departments to create a combination which reshapes existing organizational knowledge to more systematic and complex forms by, for example, using internal databases. Organizing knowledge using databases and archives can make knowledge available throughout the organization-----organized knowledge can be disseminated and searched by others.

Most importantly, in knowledge integration, organizational knowledge is internalized through learning by doing which is more engaging. It is important to note that executives have found that shared mental models and technical know-how become valuable assets. Organizational knowledge, which is reflected in moral and ethical standards and the degree of awareness about organizational visions and missions can in-turn be used in strategic decision making.

Organizational knowledge can be, therefore, converted to create new knowledge that executives can view and implement immediately in managerial decision making. Applying knowledge aimed at providing better decision-making and work related practices and creating new knowledge through innovation.

Finally, when executives agree to share knowledge with other organizations in the environment, studies have shown that that knowledge is often difficult to share externally. One reason is that other organizations have too much pride to accept knowledge or are



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apprehensive to expose themselves to the competition. Therefore, executives may lack the required capabilities to interact with other organizations.

Learning in organizations is the ultimate outcome of knowledge reconfiguration by which organizational knowledge is created and acquired by connecting knowledge with other companies that want to share successes

and failures. This leads to converting acquired knowledge into organizational processes and activities to improve processes that contribute success. Executives can now see that a company's capability to manage organizational knowledge cycle is the most crucial factor in a sustainable competitive advantage. This core-competitive advantage relies within and among people.

## In Conclusion

Executives are aware that activities related to managing knowledge at the individual level and the practices associated with knowledge management at the organizational level are handled at different points on the organizational chart. Therefore, in order for executives to lead between the lines, they need to focus on the

interactions among the facets of knowledge to minimize the possible limitations of managing all facets or the business units and components on an organizational chart.

Knowledge cycle model focuses on knowledge flows that executives use through embracing the processes of knowledge management for strategic management decision-making. This model takes a task-based approach by translating the management of knowledge into various organizational processes. Accordingly, knowledge cycle model develops a firm-specific approach by which organizational knowledge provides a significant contribution to business objectives through the context-dependent way it is managed. This model can also help organizations to identify their inefficiencies in each process and subsequently recover them on an instantaneous basis which enables executives to create sustainable competitive advantage and prevent further operational risk.

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