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Knowledge Management and Organizational Learning: A Strategic Lever for Competitiveness and Innovation

YAHYA NOUREDDINE[1]

[1] *Assistant Professor, CRMEF Tangier-Tetouan-Al Hoceima, Morocco*
Email: noureddine.yahya@hotmail.com

ABSTRACT: Knowledge management has become a critical determinant of organizational competitiveness, sustainability, and innovation in knowledge-intensive environments. This conceptual review examines how knowledge management supports organizational learning and contributes to the development of sustainable competitive advantages. Drawing on publications, conference contributions, and academic literature, the paper synthesizes perspectives on knowledge as a strategic organizational resource and reviews the main processes of knowledge creation or acquisition, storage, dissemination or transfer, and translation into action. The analysis highlights that effective management of tacit and explicit knowledge can strengthen access to expertise, knowledge reuse, collaboration, adaptation, and collective learning. Prior empirical studies reviewed in the paper generally associate organizational learning with overall performance, innovation, strategic flexibility, project outcomes, employee satisfaction, and human resource outcomes, although evidence concerning direct financial performance remains mixed and may depend on mediating factors such as innovation, market orientation, and human resource practices. The study concludes that knowledge management is most valuable when embedded in organizational processes and connected to learning mechanisms, enabling organizations to transform individual expertise into collective capabilities, innovation, and long-term competitiveness.

Keywords: Competitive advantage, Innovation, Knowledge management, Tacit knowledge, Organizational learning, Learning capacity.

1. INTRODUCTION

Over the past decade, it has become increasingly evident that knowledge occupies a central place in the academic and professional world, as highlighted by (Wu and Lin in 2009). Nowadays, knowledge, especially in its tacit form, has become an essential pillar of competition, as noted (Zack in 1999 and Grant in 1996). However, it is essential to understand that simply processing knowledge is not enough to guarantee a strategic advantage, as Zack points out (Zack in 2002). Effective knowledge management is the true enabler of competitive advantage, as described (Skyrme in 2001), by defining knowledge management (KM) as the explicit and systematic management of vital knowledge, as well as the associated processes of creation, organization, dissemination, use and exploitation. This discipline of knowledge management has been studied and applied in a multitude of professional fields, thus contributing to a rapid evolution, but also to a fragmentation of ideas and terminology, as noted by (Clarke and Turner in 2004). This fragmentation hinders the establishment of knowledge management as a distinct discipline, as highlighted by

Kebede in 2010.On a practical level, companies have become aware of the importance of knowledge management for their competitiveness and growth, in line with the work of (Zack in 1999 and Salojärvi, Furu and Sveiby in 2005). As a result, many companies have knowledge management initiatives in place, but they have often faced high rates of failure, as reported (Storey and Barnett in 2000). These failures can be attributed to a variety of reasons, such as an over-focus on information technology or inappropriate strategies. Today, as knowledge-sharing technologies have reached maturity, it is time for researchers and practitioners to reflect on the factors of success or failure of these initiatives, as noted (Hall and Goody in 2007). However, there is growing evidence that there is a gap between the practitioners' and academics' perspectives on knowledge management, according to (Clarke and Turner 2004). Additionally, many managers are frustrated by their inability to effectively promote knowledge within their organizations. Despite significant advances in this area, current knowledge is often fragmented and misunderstood, leaving many policymakers perplexed as to how variables can influence knowledge management programs, as observed (Moffett, McAdam and

Parkinson's in 2002). There is no clear model regarding the variables that have a significant impact on knowledge management, and the impact of knowledge management programs on innovation and firm performance remains largely unexplored, as noted (Choi, Poon and Davis in 2008). In addition, there is a lack of empirical research examining the relationship between knowledge and performance, thus creating a gap in the understanding of how knowledge management initiatives lead to better outcomes and under what conditions. Organizational knowledge plays a key role in the innovation process, but research on this link is still in development, as Darroch points out (2005).

The paper first examines knowledge management and its core processes, then discusses organizational learning capacity and the impact of knowledge management on organizational learning, before reviewing reported organizational outcomes and discussing implications for competitiveness and innovation.

2. MATERIALS AND METHODS

This paper adopts a literature-based qualitative review. As stated in the original study, the data are drawn from publications, conference contributions, and academic literature. The review synthesizes theoretical and empirical work on knowledge management, organizational learning, innovation, and organizational performance. The analysis is organized around the principal knowledge-management processes identified in the reviewed literature and then examines their relationship with organizational learning and reported organizational outcomes.

3. RESULTS AND DISCUSSION

3.1. Knowledge Management

In the business world, we have moved from the age of natural resources to the age of knowledge. The world is moving away from natural resources and into the age of knowledge, which is based on research and development, skills and education (Friedman, 2005; Gulbranson and Audretsch, 2008). The basic economic resource is no longer capital, natural resources and labour, but knowledge (Jelenic, 2011; Khan, 2014). Knowledge has been considered one of the most important and valued assets and commodities (Bhojaraju, 2005; Hegazy & Ghorab, 2014). Schultze and Leidner (2002) also stated that knowledge has become the primary source in organizations. In addition, knowledge and the ability to create and use knowledge are seen as a centre for the transformation of the global economy. Knowledge has emerged as the main source of economic growth for organizations in the global economy, as it is the basis for innovation (Carneiro, 2000; Kakabadse et al., 2003).

Knowledge can be referred to as the information held in people's minds or people's experience and understanding (Marwick, 2001; Alavi et al., 2005). It contains information that is ready and can be used to make decisions and take action (Chang & Lin, 2015). Anand and Walsh (Anand & Walsh, 2016) argue that knowledge contains information, skills, and expertise. The main goal of knowledge sharing is to make knowledge visible, to show the role of knowledge in organizations, and to encourage employees to foster behaviors such as knowledge sharing and build knowledge infrastructure (Merlo, 2016). However, without proper management, knowledge can be outdated and useless (Ansari et al., 2012; Karimi & Javanmard, 2014). Organizations must therefore implement and apply a series of processes to manage their knowledge (OuYang, 2014).

Different experts or researchers have defined knowledge management in different ways. Knowledge management is the ability to manage knowledge such as collecting internal or external knowledge from organizations, transforming it into new ideas or strategies, applying it, and protecting it (Gold et al., 2001). Lytras et al. (2002) defined knowledge management as a systematic and explicit application of knowledge that will help organizations maximize the effectiveness of their knowledge and the return on their knowledge assets. It also creates new capabilities, drives innovation and performance, and increases customer value. In this context, knowledge management can be defined as a process of capturing, storing, sharing and using knowledge (Leidner et al., 2006; Chang & Lin, 2015). In addition, it can also be defined as a systematic process of collecting, organizing, and communicating employees' tacit and explicit knowledge that can be used in their work (Schultze & Leidner, 2002; Alavi et al., 2005; Massey & Montoya-Weiss, 2006).

Organizations are able to acquire, maintain, and leverage their knowledge resources by turning to knowledge management initiatives and technologies (Kankanhalli et al., 2005; Greiner et al., 2007). Thus, the main goal of knowledge management is to enable organizations to be aware of their knowledge and to shape it, so that they can use it effectively and efficiently (Newell et al., 2004; Alavi et al., 2005). Griffith et al. (Griffith et al., 2003) and Pawlowski and Bick (2012) argue that the scientific understanding of knowledge in organizations is still in its infancy. Knowledge management has four main elements and processes (Kayworth & Leidner, 2003; Zaim, 2006; Fong & Choi, 2009; Turner et al., 2012):

3.1.1. Knowledge creation or acquisition

This process involves a new implementation of knowledge or the replacement of the organization's current explicit and tacit knowledge content. It requires organizations to seek out new knowledge and information, both inside and outside the organization (Chen & Edgington, 2005; Carrion et al., 2012). Organizations can acquire new knowledge through imitation, benchmarking, replication, or outsourcing (Abou-Zeid, 2002). This process is considered a fundamental mechanism because it generates new knowledge within the organization, which can be considered a key factor for success and continuous innovation (Bhatt, 2000; Malhotra, 2000). Knowledge can be created, shared, and expanded through collaborative processes within organizations (Norman, 2004; Ajmal & Koskinen, 2008).

3.1.2. Knowledge storage

Explicit and tacit knowledge obtained by individuals within organizations should be stored. Organizations need to organize and manage knowledge in a way that makes it easier to access (Massey & Montoya-Weiss, 2006; Heisig, 2009; Ling et al., 2009). The integration of knowledge makes it possible to reduce repetition and thus improve efficiency (Alavi et al., 2005). Nemati (2002) also stated that knowledge storage is not only vital for effective use, but also for knowledge reuse.

3.1.3. Knowledge dissemination or transfer

This process involves the sharing and exchange of knowledge between individuals or a network of individuals, a group of people to organizations, and individuals to explicit sources (Alavi et al., 2005; Carrion et al., 2016). During this process, organizations must ensure that knowledge is transformed from tacit knowledge to explicit knowledge in order to avoid the loss of tacit knowledge (Ko et al., 2005; Massey & Montoya-Weiss, 2006; Eskerod & Skriver, 2007; Ajmal & Koskinen, 2008; Pirkkalainen & Pawlowski, 2013).

3.1.4. Knowledge translation

This process involves the use of knowledge to adjust strategic direction, solve problems, make decisions, improve efficiency, and reduce costs (Markus et al., 2002; Orlikowski, 2002). The individual may use the knowledge held by other individuals without learning this knowledge (Hegazy & Ghorab, 2014). However, according to Ipe (Ipe, 2003) and Landroguez (Landroguez et al., 2011), if organizations want to capitalize on knowledge, they need to know how knowledge is created, disseminated, and used, as these processes are the foundation of effective organizational knowledge management.

3.2. Organizational Learning Capacity

Organizational learning is a fundamental process in which a company improves its performance of its tasks with greater efficiency.

This process occurs when organizational activities undergo a calculated metamorphosis in order to maintain or improve their performance levels. The organizational learning process encompasses the acquisition, dissemination and exploitation of information, thus establishing itself as an intrinsic link to innovation results (Alegre & Chiva, 2008). Organizational learning looks at the "abilities of members of a company engaged in the business process to acquire, share, elucidate, and transform information into knowledge practices, as well as to adopt innovations." It also deciphers an organization's ability (or mechanisms) to maintain or improve its performance. Experience-based, it involves "the acquisition of knowledge (the development or creation of skills, ideas, relationships), knowledge sharing (the dissemination to others of what has been acquired by some). Knowledge use (the integration of learning in such a way that it is assimilated, widely available, and can also be generalized to new situations), which improves organizational performance and innovation" (Spicer & Sadler-Smith, 2006).

Technology adoption and innovation performance practices are currently one of the critical elements of organizational innovation practices and capabilities (Coccia, 2017), which support business efficiency during challenging industry times. The company's organizational learning capacity remains an essential element in determining success, while using the adoption of information technology to improve innovation performance (Mandinach & Cline, 2013). Organizational learning measures the importance of the "intangible resource," which gives the company a unique advantage that other companies cannot easily copy or imitate.

3.3. Impact of Knowledge Management on Organizational Learning

Knowledge management plays a key role in the organizational learning process. Indeed, knowledge management allows organizations to capitalize on the tacit knowledge of their employees, which is often difficult to formalize and share. By turning this tacit knowledge into explicit knowledge, organizations can integrate it into their organizational processes and disseminate it more widely within the company. This allows employees to better understand their environment and adapt to changes faster, which is essential for maintaining the company's competitiveness.

In addition, knowledge management promotes innovation by allowing employees to share their ideas and knowledge. By encouraging collaboration and knowledge sharing, organizations can stimulate creativity and innovation, which can help develop innovative new products and services.

According to (Nonaka and Takeuchi), the transformation of tacit knowledge into explicit knowledge is a key component of organizational learning, which allows organizations to adapt more quickly to change and maintain competitiveness.

Ultimately, knowledge management is a true enabler of competitive advantage for organizations looking to adapt and innovate in an ever-changing business environment. By capitalizing on the knowledge and skills of their employees, organizations can develop new and innovative products and services, while maintaining their competitiveness and adaptability. Knowledge management is therefore a key component of organizational learning, enabling organizations to adapt to change and maintain competitiveness in an ever-changing business environment.

3.4. Organizational Learning Outcomes

3.4.1. Review of Empirical Studies

Empirical studies verifying the influence of organizational learning on organizational performance are very promising. The analysis of several dozen empirical studies served as the basis for the synthetic conclusions concerning the relationships between organizational learning and organizational results. Particular attention should be paid to these selected and comprehensive studies on this issue: Baker and Sinkula (1999a, b); Perez-Lopez, Peon and Ordas (2005); Prieto and Revilla (2006); Jiménez-Jiménez and Sanz-Valle (2011) and the study by Goh, Elliot and Quon (2012) (they did not conduct their own empirical studies but carried out a meta-analysis of 33 major works). The appendix above includes simplified features of the selected studies - those that were considered the most important, those that are more complex, and those that are emblematic of a variety of approaches to studies in this area. What dominates are the studies that confirm the positive influence of organizational learning on:

- the organization's overall performance (including financial): Baker, Sinkula (1999a, b), Calantone et al. (2002), Ellinger et al. (2002), Perez Lopez et al. (2005), Khandekar, Sharma (2006), Panayides (2007), Hung et al. (2010), Imran et al. (2011), JiménezJiménez, Sanz-Valle (2011), Frank et al. (2012), Ting (2012);
- organizational innovation: Perez Lopez et al. (2005), Hongming et al. (2007), Lin et al. (2008), Jiménez-Jiménez, Sanz-Valle (2011), Goh et al. (2012);
- the effectiveness of the strategy and strategic flexibility (Santos-Vijande et al., 2012);
- project results (Murray, 2003);
- employee satisfaction (Goh et al., 2012);
- and the results of human resource management (Bhatnagar, 2006).

However, it is worth noting that there are discrepancies in the findings of studies looking at the link between organizational learning and financial performance. Indeed, some research, such as that conducted by (Goh et al in 2012), has not succeeded in establishing a clear link. On the other hand, other investigations, such as those of (Prieto and Revilla in 2006), as well as (Suliyanto and Rahab in 2012), have highlighted a lack of significant relationship. It is also noteworthy that work such as that of (Ellinger et al. in 2002), (Perez Lopez et al in 2005), as well as (Kocoglu et al in 2012), have reported a very tenuous relationship.

Numerous studies suggest that the relationship between organizational learning and organizational performance is often conditioned by mediating factors such as innovation, as discussed, for example, (Baker and Sinkula in 1999), (Hongming et al., in 2007), (Lin et al. in 2008), as well as (Pesämaa et al. in 2013). Other elements influencing this relationship include market orientation, as defined by (Bakera and Sinkula in 1999), Mahmoud and Yusif in 2012), or human resource management practices, as demonstrated (Lin and Kuo in 2007).

Despite the general convergence of empirical studies towards a positive correlation between organizational learning and organizational performance, it should be noted that this work varies considerably in terms of the intensity and nature of this relationship. These discrepancies can likely be attributed to disparities in the methods of measuring organizational learning, in the organizational results achieved, in the specific characteristics of the firms examined, as well as in the methodologies for analyzing the data employed.

3.5. Discussion

Knowledge management has become a key component for organizations looking to maintain their competitiveness in an ever-changing business environment.

According to (Skyrme 2001), knowledge management is defined as the explicit and systematic management of vital knowledge, as well as the associated processes of creation, organization, dissemination, use and exploitation. By capitalizing on the tacit knowledge of their employees, organizations can turn it into explicit knowledge and integrate it into their organizational processes. According to (Zack 2002), effective knowledge management is the real catalyst for a competitive advantage. By enabling organizations to better understand their environment and adapt to changes faster, knowledge management can help keep them competitive. According to (Wu and Lin 2009), knowledge, especially in its tacit form, has become an essential pillar of competition. In conclusion, knowledge management is a true enabler of competitive advantage for organizations looking to adapt and innovate in an ever-changing business environment.

4. CONCLUSION

Ultimately, knowledge management is emerging as one of the most important prerequisites for maintaining the competitiveness of organizations in today's business landscape. Indeed, knowledge management has evolved to be of critical importance within organizational structures, so as to ensure that it remains competitive. In addition, the valorization of knowledge has encouraged companies to integrate knowledge management into their business development strategies.

It should be emphasized that knowledge presents itself as a high-value strategic resource, giving organizations the ability to access sustainable competitive advantages and substantially improve their overall performance. As we move into the future, organizations are faced with the imperative to have a thorough understanding of the implications of knowledge management before they begin its implementation. This proactive and informed approach will be fundamental to ensuring their competitiveness and continued success in the ever-changing business world.

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