

The Role of Knowledge Creation in Enterprise Development

Jiahao Huang

School of Business Administration, Guizhou University of Finance and Economics, Guiyang 550025, China

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Abstract: The development of enterprises depends not only on tangible assets, but also on the ability of enterprises to create and use knowledge in the era of knowledge economy. Enterprises must constantly use the acquired knowledge to create value, in order to obtain and maintain a long-term competitive advantage. However, there are few researches on how knowledge creation affects the development of enterprises. Based on resource-based theory, this paper systematically introduces the connotation, process and function of knowledge creation in the development of enterprises, and puts forward the relevant promotion strategies of knowledge creation, which has certain reference value for the theoretical research and practical exploration of knowledge creation.

1. Introduction

According to the resource-based view, the key to the success of an enterprise's operation and even its future development lies in its unique resources, which are scarce, valuable, difficult to imitate and replace, as well as its organizational ability to utilize and allocate such resources. The knowledge that most enterprises can acquire or that is shared among industry participants rarely meets these criteria. When enterprises acquire or transfer knowledge from external sources, it is unlikely to make a big enough difference, and knowledge created internally is more likely to lead to innovation than knowledge acquired through imitation, unless enterprises combine it with unique knowledge created by themselves [1-2]. Knowledge creation is an important strategic issue for the success of today's enterprises and an important driving force for the survival and development of enterprises. Therefore, creating new knowledge that can adapt to economic development, respond to market changes in a timely manner and is different from old knowledge is the key factor for enterprises to maintain sustainable competitive advantage. The research on knowledge creation, especially on the role of knowledge creation in the development of enterprises, has attracted the attention of academia.

However, although there is many literature about the development of enterprises that put forward the impact of knowledge management, including knowledge sharing, knowledge transfer, knowledge application, knowledge acquisition, etc., there are relatively few studies on knowledge creation, most of which are based on the antecedents of individual and team level, and less attention is paid to the impact on the outcome variables. Therefore, the role of knowledge creation in enterprise development needs need further research.

2. The Connotation and Process of Knowledge Creation

Some scholars based on the perspective of knowledge attribute divide knowledge into explicit knowledge and implicit knowledge, among which the most influential scholar in the field of knowledge creation is Nonaka [2-4]. In 1995, he proposed the SECI knowledge creation process model in his paper Knowledge Creation Company, which describes the mechanism of knowledge creation, that is, the dynamic process of knowledge spiraling through mutual transformation and sharing. He believes that knowledge creation is a process in which enterprises as a whole continuously create and update knowledge, and can effectively transform and interact the explicit knowledge and implicit knowledge of different levels of disciplines. Later, he further pointed out that knowledge creation is the ability of enterprises to create new knowledge and spread it among enterprises, which can be demonstrated through products, services and systems.

Based on the research of Nonaka, this paper defines knowledge creation as the process of transforming explicit knowledge obtained from external environment and implicit knowledge of internal employees into valuable new knowledge by means of integration, reconstruction and combination of innovative knowledge, that is, the ability to form new knowledge by processing existing information and knowledge.

This ability is realized through the knowledge management system process. Enterprises can create knowledge by transforming implicit knowledge into explicit knowledge at the individual, team, organization and cross-organization levels. In the implicit-explicit dimension, the core of knowledge creation includes four main processes: Socialization (implicit knowledge to implicit knowledge), Externalization (implicit knowledge to explicit knowledge), Combination (explicit knowledge to explicit knowledge) and Internalization (explicit knowledge to implicit knowledge), as shown in Figure 1:

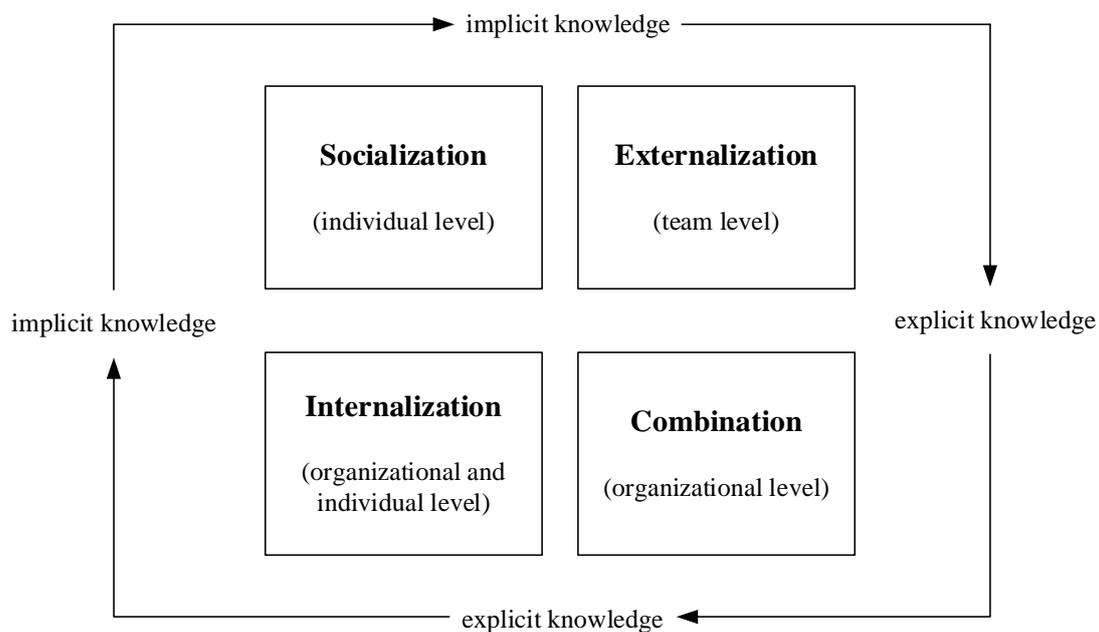


Figure 1 SECI model - dynamic process of knowledge creation.

Socialization refers to the transformation of internal implicit knowledge into new forms of implicit knowledge through interaction. In the public environment, social people share their observation, imitation and practical experience with others to acquire, transfer and create implicit knowledge. Experience and sharing are two key words in the process of socialization. If there is no mutual exchange of experience [5], it is difficult to obtain other people's implicit knowledge. Socialization includes accumulation of implicit knowledge, collection of social information and establishment of working environment. In summary, the enterprise should provide a corresponding working environment or learning platform for employees to widely observe, contact and collect multiple social information to discover new market and strategic opportunities through cross-departmental communication, sharing experiences with suppliers and customers, so as to get inspiration for creating new implicit knowledge. The most representative process of socialization takes place in the apprentice relationship. Apprentices acquire master's skills through observation and imitation, personal experience and actual personal practice, that is, implicit knowledge. This process is from individual to individual, so it belongs to the individual level.

Externalization refers to the process of knowledge creation that transforms the internal implicit knowledge into explicit knowledge. In this process, the carrier or owner of implicit knowledge refines and modifies their experiences, feelings and intuitions repeatedly, and finally transforms them into explicit knowledge that can be displayed externally and expressed easily. This is a creative process that promotes sensibility to rationality and imagination to concept, which is simply the process of concept formation. For example, software programmers interpret their implicit

knowledge through computer code and documentation. Knowledge management theory holds that the process of knowledge externalization is actually the process of individual implicit knowledge changing into team explicit knowledge, so the process belongs to team level.

Combination refers to the process of integrating and summarizing various explicit knowledge to form a new knowledge system. Using documents, books, meetings, telephones and networks to organize, exchange, combine and reconstruct new explicit knowledge with practical value. For example, companies can generate new explicit knowledge by combining existing customer reports from different departments to create a comprehensive customer profile [6]. Knowledge creation in formal school education and institutional training is basically based on this model. This process is at the organizational level.

Internalization refers to the transformation from explicit knowledge to implicit knowledge. It is the process of regarding a specific concept, metaphor, analogy and other explicit knowledge as individual implicit knowledge and experience. That's what we call learning by doing. For example, by reading a document, a success story, or a new policy, employees can build a new psychological model, and fill and enrich their work experience by internalizing reading materials and coding new knowledge by default, that is, implicit knowledge base.

The above transformation is the implicit knowledge accumulated at the individual level. When sharing with others through the socialization process again, a new round of knowledge creation activities will be triggered, and then it can flow to the outside of individuals, teams, organizations and organizations, that is, Socialization-Externalization-Combination-Internalization. These four modes operate in an interactive spiral, and constantly transform and reconstruct the explicit and implicit knowledge, so as to realize the virtuous circle of knowledge creation.

3. Value of Knowledge Creation for Enterprise Development

In the era of knowledge economy, knowledge creation is the core tool for enterprises to obtain competitive advantage and promote their long-term development. The research on the value of enterprise knowledge creation to enterprise development, it mainly focuses on three aspects: enterprise knowledge creation and enterprise growth, enterprise core competitiveness and enterprise performance.

3.1 Knowledge Creation and Enterprise Growth

Knowledge creation has a significant positive effect on enterprise growth, and effective knowledge creation results can provide the knowledge materials for the development of enterprises. Different degree of knowledge creation has different influence on enterprise growth. In a certain period of time, knowledge creation results show a U-shaped relationship with enterprise growth, but with the decrease of knowledge novelty, knowledge creation and enterprise growth show an inverted U-shaped relationship.

3.2 Knowledge Creation and Enterprise Core Competitiveness

The results of knowledge creation are scarce and can't be imitated. The knowledge creation ability of enterprises can improve the ability of product research and development, service innovation and so on. Knowledge creation is the main means to improve the core competitiveness of enterprises. Enterprise knowledge creation is to enhance the competitive advantage and core competence of enterprises by improving the level of knowledge management and technological innovation.

3.3 Knowledge Creation and Enterprise Performance

Previous studies have shown that knowledge creation has a positive correlation with enterprise performance, but some scholars believe that knowledge creation activities will not directly improve corporate performance, but need to improve technological innovation or core competence to produce effect. In addition, it also analyzes the impact of knowledge creation on enterprise performance from the perspective of time span, which holds that the impact of knowledge creation

on enterprise performance is not significant in the short term, but with the passage of time, the impact of knowledge creation on enterprise performance is more and more obvious. The effect of knowledge externalization on technological innovation performance is greater than that of knowledge internalization.

4. Strategies to Improve Knowledge Creation Ability of Enterprises

In the current context of knowledge economy, for any enterprise, knowledge creation activities are indispensable to the promotion and improvement of enterprise development. According to the dimensions of knowledge creation, this paper believes that enterprises can create conditions for knowledge creation activities through the following measures.

4.1 Strengthen the Basic Hardware and Improve the Level of Scientific and Technological Information

In today's AI era, where technology is the major development direction, a company's infrastructure is the foundation and core of its stable and rapid development. First of all, it should have its own data management system (such as text management system, product data system, etc.), and at the same time, it should ensure that the query authority of employees with business connections, such as sales data query authority of product manager, should also be open to the corresponding purchasing department, so as to facilitate the synchronization of purchasing and sales rhythm and achieve information symmetry. Enterprises should provide a variety of effective communication platforms (such as BBS, outlook, and other internal communication tools). The above hardware conditions can provide strong data and work support for employees to carry out knowledge creation activities.

4.2 Improve the Internal Incentive Mechanism and Training System

Enterprises should encourage employees to carry out knowledge creation activities, and formulate corresponding incentive mechanism for this project, and also formulate corresponding punishment mechanism, such as stealing other people's creative achievements, to reflect the protection and respect of employees' intellectual achievements, so that enterprise employees can be relieved and actively carry out knowledge creation activities. In addition, the company should also improve the internal training system of the organization, such as regularly invite experts to train the latest business and management technology, regularly organize cross-department job rotation communication, etc. These training systems can give enterprise employees access to the latest professional domain knowledge, and can work in different functional departments, in the process of work, integrating the work knowledge of this position and the rotation department, changing the knowledge structure of employees, breaking the original thinking.

4.3 Establish an Open and Free Cultural Atmosphere

There are different corporate cultures in the market environment, and often successful enterprises have their own core group culture with vitality. Knowledge creation is an individual or group activity that needs to be open, innovative and free environment, so it requires enterprises to have a relatively open, flexible, free and harmonious cultural atmosphere that encourages innovation. For example, enterprise leaders attach great importance to the dissemination of the latest concepts and ideas, or they can always implement advanced management and marketing concepts at the first time. At the same time, the enterprise can also make appropriate design on the internal layout of the enterprise, such as the location of the staff office area and the layout of the enterprise members' work stations are all open design, tea rooms and rest rooms can also be set up on each floor or between different departments. Whether it is a work station or a rest room, it can create conditions for employees to have thinking collision in the working environment and non working environment

5. Conclusion

Researchers mainly focus on the subject level, knowledge type evolution, classification discipline, knowledge type, knowledge creation subject, enterprise activity and other perspectives to analyze the concept and process of knowledge creation. Researchers mainly focus on improving knowledge creation ability of enterprises through knowledge management activities, training of innovative talents, organizational culture, organizational structure, etc, in the part of countermeasure research on improving knowledge creation ability of enterprises.

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