Global Journal of Business and Social Science Review

GATR JOURNALS

Journal homepage: www.gatrenterprise.com/GATRJournals/index.html

Global J. Bus. Soc. Sci. Review 1 (3) 41 – 53 (2013)

Incorporating Knowledge Sharing As a Sustainable Competitive Advantage with Business Processes

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ABSTRACT

Objective –This paper aims to clarify the importance of knowledge sharing application in businesses, and to illuminate the effect of knowledge sharing as the key compartment of knowledge management on business process and organizational performance based on current research. Finally, this paper endeavours to suggest a model and some recommendation for future research.
Methodology – A qualitative method based on a comprehensive search of numerous leading databases have been utilized for the purpose of this study.
Findings – Knowledge sharing influences organizational performance from diverse aspects like; management, decision making, and production procedure. In knowledge based societies, the ability of a company to create, sustain, and communicate knowledge has a major impact on its performance. Knowledge sharing is the basis of competitive advantage due to its implicit dimension and the complexity to imitate or substitute. Therefore, companies who are capable of achieving a successful knowledge sharing are likely to perform better.
Novelty – Knowledge sharing affects business overall performance. Therefore, knowledge sharing should be incorporated into business processes in order to maintain a business, organizational performance at a competitive level.
Type of Paper: Conceptual

Keywords: Knowledge sharing; Business process; Organizational performance; Organizational success; Competitive advantage.
JEL Classification: E3, L2, M1, M2.

1. Introduction

In the present knowledge era, the main attention and attraction is on the knowledge that would make people, the customers, clienteles or patrons feel good, satisfied and contented at all times (Ramlee, 2011).While the economy keeps developing, knowledge is regarded as a business capital and is considered as one the critical parts of business strategy (Russ, 2010).

Taking into consideration the move from production based economy toward knowledge based economy, knowledge has become vital for developing individuals and organizations success while the business

* Paper Info: Received: July 6, 2013
Accepted: August 17, 2013

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environment changes (Kim, Song, & Jones, 2011). Knowledge is one the few resources that demonstrates increasing returns to scale: the more it is shared, the more it grows (Tiwana, 2002). It is one of the few assets that grows – also usually exponentially – when shared (Chatzoglou & Vraimaki, 2009). The most commonly discussed activity in the process of knowledge management nowadays is knowledge sharing (Camison, Palacios, Garrigos, & Devece, 2009). The primary objective of knowledge management and knowledge-based development is assisting the transfer of knowledge among and inside organizations (Newell, Robertson, Scarbrough, & Sawn, 2002).

As knowledge sharing is the main pillar of knowledge management (Tiwana, 2002), and it has been proven that knowledge sharing is the most important and main component of knowledge management processes (Chatzoglou & Vraimaki, 2009), it has seriously came to the attraction of researchers and practitioners in recent years, and its importance is growing fast as the main foundation for successful businesses especially in developing countries (Burke, 2011). Consequently, it is vital for organizations to learn and share the obtained knowledge, otherwise they might lose the competition (Kearns & Lederer, 2003; Law & Ngai, 2008; Yang & Wu, 2008). As stated by several scholars, knowledge sharing provides competitive advantage to the organizations which affects firm performance by helping them in reducing costs, faster response to market changes, growth in market share and profitability, innovation in products, and customer satisfaction and retention (Law & Ngai, 2008; Tracey, Vonderembse, & Lim, 1999; Yang & Wu, 2008). Thus, it is essentially important for business to understand the influence of knowledge sharing on their business processes, final results and performance.

2. Objective

This paper aims to review and classify the literature about knowledge sharing, business process, organizational performance, and to assist in creating and collecting knowledge related to these areas. Particularly, the objectives of this study are as follows:

1. To explore the current literature and research on knowledge sharing, business process, organizational performance, and suggest a classification framework based on recognized literature
2. To verify the importance of knowledge sharing application in businesses
3. To clarify the effect of knowledge sharing as the key compartment of knowledge management on business process and organizational performance based on current research
4. To suggest a model and some recommendation for future research
5. To present some tips for practitioners

3. Methodology

A qualitative method has been utilized for the purpose of this study. According to Zikmund, Babin, Carr, & Griffin, (2010) qualitative research is a research that addresses research objectives by techniques that allow the researcher to provide elaborated interpretations of facts without depending on numerical measurements. The focus of this method is on discovering true inner meanings and new insights. An exploratory research has been applied to this paper. Exploratory research is a qualitative approach that involves development of deeper understanding of phenomena (Zikmund et al., 2010). This study analyzes the current literature, and investigates the existing state of knowledge on knowledge sharing, business process, and organizational performance based on a comprehensive search of numerous leading databases.

4. Knowledge sharing

The main objective of knowledge management practices is knowledge sharing or transfer of knowledge across the organization (Bouthillier & Shearer, 2002). The primary objective of knowledge management and knowledge-based development is assisting the transfer of knowledge among organizations (Newell et al., 2002). For knowledge-based companies, knowledge management is the path to success, and knowledge sharing is the fundamental requirement to achieve this target (Kimbela & Bourdon, 2008). Knowledge sharing is the core element of knowledge management because of its part in codifying, storing, and increasing the knowledge assets of organization (Liebowitz, 1999). Knowledge sharing is the important part of knowledge management (Yang & Wu, 2008), and particularly, it is the chief part of knowledge management as it is a prerequisite for innovation (Brown & Eisenhardt, 1995; Verona, Prandelli, & Sawhney, 2006). Therefore, knowledge sharing is the key factor of knowledge management (Bock & Kim, 2002).

Researchers provided different notions of knowledge sharing (Lin, 2008; Wan Khairuzzaman, Khalil, & Marjani, 2009). Knowledge sharing is a transition or dispersion of knowledge from an individual or group to others (Garvin, 1993). Knowledge sharing is the practice of developing knowledge or transmitting knowledge from a resource to a recipient (Connolly, Corner, & Bowden, 2005). Knowledge sharing is transferring key facts, thoughts and theories gained by learning, survey or experience from sources to receivers (Sandhu, Jain, & Ir Umi Kalthom, 2011). Knowledge sharing is the practice of swapping knowledge (tacit or explicit) amongst individuals and producing a new knowledge (Hooff, Elving, & Meeuwsen, 2003). Knowledge sharing includes two parts: knowledge donation and knowledge collection (Hooff & Ridder, 2004). Knowledge donation is communicating the personally learned capital to others, whereas, knowledge collection is asking and encouraging contemporaries to share their erudite assets (Hooff & Ridder, 2004). Knowledge sharing is the agreement of organizations' members to contribute anything they have learnt or have produced (Gibbert, 2002). Knowledge sharing occurs once knowledge, know-how, skill, etc. of one department of an organization affects further divisions (Matzler, Renzel, Muller, Herting, & Mooradian, 2008). Knowledge sharing is a multi-direction process of knowledge swap or stream; it is a procedure in which donor and receiver swap knowledge (Lin, Lin, & Huang, 2008).

Even though there are diverse understandings, all scholars have consensus that knowledge sharing is a procedure which directs various organizations to objective fulfillment by affecting their departments or individuals. It is the process of accomplishing the exchange of knowledge assets and skills by cooperation, communication systems or opportunities in organizations (Lin et al., 2008). Some scholars stated that by proper swapping of knowledge amongst members of the organization or across the organizations' divisions, competitive advantage will be achieved which would result in the success of the organizations (Ipe, 2003; Kogut & Zander, 1996).

Knowledge has a vital position in organizations. Knowledge produces knowledge-based competitive advantage for organizations which are not easy to duplicate by rivals due to their uniqueness (Davenport & Prusak, 1998; Yang & Wu, 2008). For containing sustainable knowledge-based innovation, and retaining the competitive advantage brought by knowledge, many organizations spend huge amount of capital to establish knowledge management systems and sustain knowledge sharing activities in their organizations (Yang & Wu, 2008). The importance of knowledge sharing practices is due to their vital role in the success of the knowledge management system; the accomplishment of knowledge management projects relies on thriving knowledge sharing system (S. Wang & Noe, 2010).

Knowledge subsists in various parts of organizations. However, sharing knowledge among individuals is crucial for organizations to obtain sustainable competitive advantage and build their organizational knowledge foundation on knowledge sharing between individuals (Lukas, Hult, & Ferrell, 1996). Establishing knowledge sharing principles is essential, because knowledge possessed only by one person cannot have serious influence on organizational performance providence. Personal knowledge would be helpful for the organizations when it is shared crosswise the organization(Nonaka & Takeuchi, 1995).

5. Business process

Recently, rising challenges, including globalization, economic recessions, and the ever changing work environment have pushed organizations to look for new methods to enhance their competitive advantage (Börner, Moormann, & Wang, 2012). As a result, to respond to market requirements and expectations, business processes should continuously go through changes and refinements. This leads organizations to the need for continuous process improvement (Lepmetsa, McBrideb, & Rasa, 2012). Therefore, Business process improvement is one of the most important and common topics in both research and practice, and improvement has become a routine task as a part of practice (Coskun, Basligil, & Baracli, 2008; Doomun & Jungum, 2008; Zellner, 2011). Thus, business process improvement is the first priority among top business priorities in a Gartner survey which includes more than 1,526 CIOs (Auringer, 2009; Zellner, 2011).

A business process is an entire, vigorously synchronized set of activities or rationally connected tasks which should be done to provide value to consumers or to accomplish organization strategic goals (Strnadl, 2006; Trkman, 2010). Business process is a step-by-step system specifically for solving a business obstacle (Havey, 2005), business process also can be defined as a set of activities that convert inputs to outputs which is regarded as value for customer (Vergidis, Turner, & Tiwari, 2008). Lastly, according to Davenport (1993) business process is a series of activities whose final goal is the creation of a particular output for a specific customer or market (Davenport, 1993).

Process improvement is a planned move towards performance improvement which focuses on the closely controlled design and careful implementation of a company end to end business process (Vergidis et al., 2008). Business process improvement is explained as the essential analysis and fundamental redesign of current process to attain advanced improvement in performance. Business process improvement considers distinct plans in order to accomplish drastically redesigned and advanced work process in a restricted time boundary. Business process improvement is different with organizational transformation, which means broad changes of an organization strategies, structure and business. However, business process improvement can assist the organizational transformation. Business process improvement cannot be referred to as change management, which is planning and managing systematic situational changes based on external issues which organization does not have any control on them. Business process improvement utilizes a variety of change management tactics and methods for achieving its goals. In business process improvement, information technology (IT) and business activities and the interactions among them are viewed together under a broad scope. IT and business process improvement have a two-way interaction. IT potentials should support business process, and business process should be improved based on the facilitating abilities provided by IT. This broad scope is called a two-way relationship of IT and business process improvement. Generally business process improvement includes five steps: 1-Improving the business vision and process goals. Business process improvement is obsessed by a business vision which involves particular business goals like: reducing costs, reducing time, product quality improvement, quality of work life, learning, and empowerment. 2-Identify the process to be improved. Many organizations apply high- impact approach which concentrate on the key processes or those which are more in confliction with business vision. 3-Understand and evaluate the current process. In order to prevent repeating the old mistakes and preparing a foundation for future improvements. 4-Identify IT forces. Knowledge about IT potentials will affect process design. 5- Design and build a model of the new process. The real design should not be seen as the last part of business process improvement process. It should be viewed as a model, with consecutive replications. The metaphor of model allies the business process improvement approach with quick delivery of results, and the customer satisfaction involvement (Holtzman, 2011).

5. Business Process Improvement an Important Factor in Successful Organizational Performance

Knowledge is a key enabler of business process improvement (Wang & Yang, 2009); and it is a necessary part of business process and cannot be separated. Knowledge is intensely fixed in organizational routines, processes and practices (Amarvadi & Lee, 2005). Knowledge management research have proved that there is production of knowledge even when employees are engaged in highly recurring, routine business processes (Seethamraju & Marjanovic, 2009), and the knowledge owned by the those who are involved in business process improvement will facilitate business process improvement (Reijers, 2003). Business process improvement is, in fact, a knowledge concentrated process as all decision about tasks to be carried out will be made based on relevant knowledge (Seethamraju & Marjanovic, 2009). Main objective of every process is to attain its stated goals (Lepmetsa et al., 2012), and business processes are the foundation of every business system. If those processes are understood, they can be improved in order to improve business performance (Turetken & Schuff, 2007).

Although, business process improvement is not a new concept. Fast development in information and communication technologies, and fast rising globalization and rivalry have extremely increased the need for business process improvement (Seethamraju & Marjanovic, 2009). As businesses are struggling to expand their market share in the global marketplace which is aggressively competitive (Samia & Germaine, 2008), the always changing economic condition leads them to increasingly apply business process improvement in their business in order to boost their performance (Trkman, 2010). Recently business process improvement has become an endless agenda for businesses (Zellner, 2011). Nowadays, employees realize that it is important to understand the details of the work they perform. They discern that they have to advance their awareness about the procedure of their work. They recognize that learning about their work process will help them to have better performance. Diligent employees will go deep into the details of their job, and try to find ways for improving their roles (Holtzman, 2011). Therefore, business process improvement is a well recognized need for a lots of businesses (Seethamraju & Marjanovic, 2009), and its main purpose is to enhance an organization capabilities to accomplish its business objectives (Lepmetsa et al., 2012). Companies apply business process improvement swiftness with the ever altering business atmosphere which means acclimatizing their business process to unrelenting technological, organizational, political, and future changes (Coskun et al., 2008; Davenport & Perez-Guardado, 1999; Zellner, 2011).

The importance of improving customer service, to provide innovative products and services quickly to the market, and to decrease cost have brought business processes as the priority of businesses (Seethamraju & Marjanovic, 2009). Business processes are an effective method for managing an organization at any stage and ultimately backs the organization overall objectives. As a result, business processes are now regarded as the most precious business capital (GartnerResearch, 2006), and their incessant enhancement has become vital for various businesses (Seethamraju & Marjanovic, 2009). Business process improvement is a method to enhance the efficiency and effectiveness of business processes which are providing products or services to internal and external customers (Zellner, 2011).

6. Organizational performance

Performance concept is not regularly well clarified (Pollanen, 2005), and yet there is no definition of performance which all scholars have consensus on (Jiang & Li, 2008). Nevertheless, some scholars have provided their understandings of performance notion; organizational performance is the capability of the organization to fulfill its goals through efficient and effective utilization of resources (Daft, 2000). Organizational performance is the real results of an organization compare to the planned outcomes (Ho, 2011). Organizational performance is an evaluation which estimates how organizations achieve their objectives (Hamon, 2003). Performance is the excellence and effort which a person or society reaches out on the job (Schermerhorn, Hunt, & Osborn, 2002). Performance is the probable result gained by an individual or a group within a time boundary, and has different scales (Roa, 2004). Performance is applied in several grounds. Frequently, performance is used for assessing how sound a system or process has achieved its goals (Wu, 2009). There are also some other definitions of performance, for instance, from process perspective, performance is conversion of inputs to output for accomplishing desired products. Conversely, from the economical outlook, performance is defined as the relation of efficient cost, stated output, and attained results, which is efficiency (Abu Jarad, Yusof, & Shafiei, 2010).

Recently, organizational performance has drawn the attention of many scholars and researchers. Numerous studies have been done on organizational performance measurement and factors influencing it. For instance, Zack, McKeen, & Singh (2009) conducted an investigation on knowledge management and organizational performance. In this study, they examined the relationship between knowledge management practices and performance results. Their results showed that knowledge management practices are certainly related to organizational performance. Mills & Smith (2011) assessed the effect of knowledge management resources on organizational performance, and have found that some knowledge resources like organizational structure and knowledge application have direct impact on organizational performance. Others, however, are not directly influencing organizational performance but they are important prerequisites for knowledge management. Similarly Chen & Liang (2011) developed the strategic fit theory to evaluate how different knowledge evolution strategies influence organizational performance in different conditions. The result confirmed that knowledge transformation and intersect affects various aspects of organizational performance. On the contrary, Molina & Callahan (2009) investigated the relationship among individual learning, entrepreneurship, and organizational learning, and offered another model of how learning assists organizational performance. They presented an alternative model for entrepreneurial learning and performance that affects organizational performance by the constructs of the environment, individual learning, entrepreneurship, and organizational learning.

In a different research by Kuo (2011) the author studied the association between human resource management, organizational learning, organizational innovation, knowledge management capability, and organizational performance in order to discover a method for improving organizational performance via learning and knowledge. Results showed that HRM strategies outcome, is, improved organizational learning and knowledge management capability, which eventually will be a contribution to organizational performance. Ho (2011) analyzed the effect of meditation experience on employees' self-directed learning readiness, organizational innovation, organizational performance and found a relationship between these three. He proved that employees experience considerably and positively affected self directed learning, organizational innovation and organizational performance. Also, self directed learning directly and significantly affected organizational innovation, and organizational innovation has direct and major impact on organizational performance. The huge extent of research done on organizational performance proved its importance as one the key indicators of organizational success. Many scholars focused on improving organizational performance through knowledge management practices.

7. Discussion and current research

Knowledge sharing has a positive influence on production costs reduction, quicker product advancement, team performance, innovation capacities, and overall firm performance (Arthur & Huntley, 2005; Collins & Smith, 2006; Lin, 2007; Magnus & DeChurch, 2009). Knowledge sharing is closely associated with long term performance and competitiveness of an organization (Du, Ai, & Ren, 2007).

Efficient knowledge sharing is the requirement of innovation (Barney, 1991; Barton, 1995; Grant, 1996; Spender & Grant, 1996). Researchers have confirmed that knowledge sharing is essential for firm innovation ability and performance, and innovation is considerably connected with organizational performance (Hurley & Hult, 1998; Mone, Mackinley, & BarkerIII, 1998). It is confirmed by several empirical research that the capability to invent is the main gauge of an organization's performance (Calantone, Cavusgil, & Zhao, 2002). Firms with advanced knowledge sharing are able to accomplish superior business performance and higher level of novelty in comparison to the firms with little knowledge sharing establishment or with no knowledge sharing (Shih, Tsai, Wu, & Lu, 2006). As a result of many empirical studies it is critically recommended for corporations to be inventive if they want to acquire a competitive advantage, and win the competition (Calantone et al., 2002).

The effect of knowledge sharing practices on organizational performance has attracted many scholars and practitioners; there are numerous studies in this field and related areas. We go through some of these research to present a better view about the role of knowledge sharing in organizational performance:

Law & Ngai (2008) investigated the association between knowledge sharing and learning behaviors, business process improvement, product and service offerings, and organizational performance. They collected 134 samples from manufacturing companies, wholesalers and retailing operators. Results proved that knowledge sharing and learning behavior are positively related to business process improvement, and product and service offerings. Business process improvement and service offerings are significantly connected, and both of them are considerably affecting organizational performance. Therefore, managers must support knowledge management and learning practices in their organizations, they should give appropriate attention to the strategies and execution of plans sustaining these actions to improve firm performance.

Hsu (2008) suggested and studied a model of organizational knowledge sharing which can improve organizational performance. The encouraging and facilitating role of organizational knowledge sharing for knowledge sharing are hypothesized to have a positive association with organizational human capital, and that relationship is hypothesized to have a positive influence on organizational performance. Innovation strategy and top management knowledge values are hypothesized to direct establishment of organizational knowledge sharing practices. The hypotheses were empirically tested by collecting data from 256 companies. All of the developed hypotheses were approved. Du et al.(2007) explored the quantitative relationship between knowledge sharing and performance, by taking related factors in consideration. The authors argued that knowledge sharing and its relative factors are supposed to be linked with performance. They developed a model for the relationship of knowledge sharing and performance; including different dependent factors which some of these factors have significant impact on the relationship of knowledge sharing and performance. The model was empirically tested by distributing 249 questionnaires. The results supported the proposed relationship between knowledge sharing and performance. The findings also recommended that some reliant factors to be given more attention by managers while they are committed to knowledge sharing.

In another research, Matzler & Mueller (2010) defined a theoretical model to illuminate how personality attributes influence knowledge sharing through goal orientation. They have tested their model with 124 samples collected from engineers in an internationally operating engineering company. They proved that there is an important positive association linking learning orientation and knowledge sharing behaviors. However, they found a major negative link between performance orientation and knowledge sharing behavior. (Ling, Sandhu, & Jain, 2009) studied managerial perspectives about knowledge sharing, barriers to knowledge sharing and strategies promoting knowledge sharing in an American based multinational company. This study evaluates the insights about different features of knowledge sharing in a country and company particular surrounding. The results indicate that the majority of the respondents agreed that knowledge sharing strategy exists in the organization, and awareness about the advantages of knowledge sharing is rising in the organization. They discover that some of respondents do not agree with the importance of knowledge sharing in the organization, and some of them were not willing to share their knowledge. They found that the most effective way to encourage knowledge sharing in the organizations is to connect it with rewards and performance growth. They also say that support of top management is crucial for successful knowledge sharing in organization.

Lin (2007) examined the effect of individual factors, organizational factors, and technology factors on knowledge sharing and whether they result in better innovation ability. One hundred seventy two samples were collected from Taiwan's SEMs. The findings proved that two individual factors and one organizational feature considerably affect knowledge sharing progresses. They found that employees readiness for both donation and collection of knowledge facilitate the organization to advance innovation ability. Yang & Wu (2008) suggested a novel agent based modelling method to replicate the activities of knowledge sharing between performers in an organization. In this simulation, some human and institutional issues were controlled to understand knowledge sharing. They got the following results; first: the early situation of actors' activity influences the knowledge sharing practice despite applied strategy. Second: weaker collective ability among the people decreases the knowledge sharing acts. Third: the motivational policy caused problem for the growth of knowledge sharing activity. It is better to change reward system from periodic to rewarding all knowledge sharing act in order to give more encouragement to performers for knowledge sharing.

Sandhu et al. (2011) conducted a study to identify the sights of public sector employees about the significance of knowledge sharing, realize the barriers to knowledge sharing, and to find initiatives which may promote knowledge sharing. One hundred seventy questionnaires were collected for the purpose of this research. The results revealed that respondents have very optimistic sights about the significance of knowledge sharing, and they strongly think that knowledge is a source of competitive advantage. However, some of them believe that the importance of knowledge sharing is not properly conversed, and several of them were not certain whether knowledge sharing strategy subsisted in their division. In comparison to their colleagues' insight, self biasness was observed from public sector employees in willingness to share knowledge. Major organizational barriers were shortages in IT systems, lack of incentives, and credit. Chief individual barriers were time shortage, lack of interaction and interpersonal skills. The most preferential knowledge sharing initiatives identified in this research were utilizing e-mail systems, inter-agency activities, and applying information and communication technology pursued by top management support.

Consequently, it can be stated that knowledge sharing influences organizational performance from diverse aspects like; management, decision making, and production procedure (Du et al., 2007). In knowledge based societies, the ability of a company to create, sustain, and communicate knowledge has a major impact on its performance. Knowledge sharing is a powerful instrument to professionally and successfully create, sustain, and communicate knowledge (Du et al., 2007). Thus, as the situation for an organization competitive rim has steadily moved from solid statistic price rivalry into a dynamic enhancement, the global market is in favor of the companies which are faster than their competitors in knowledge sharing (Porter, 1990). Knowledge sharing is the basis of competitive advantage due to its implicit dimension and the complexity to imitate or substitute (Barney, 1991; Barton, 1995; Grant, 1996; Spender & Grant, 1996). Therefore, companies who are capable of achieving a successful knowledge sharing are likely to perform better (Matzler & Mueller, 2010).

8. Proposed model for future study

Based on the extensive review of the current literature and research, and observation of practitioners needs we would like to propose a model for future studies. Researchers can consider examining the following proposed model in their future research.

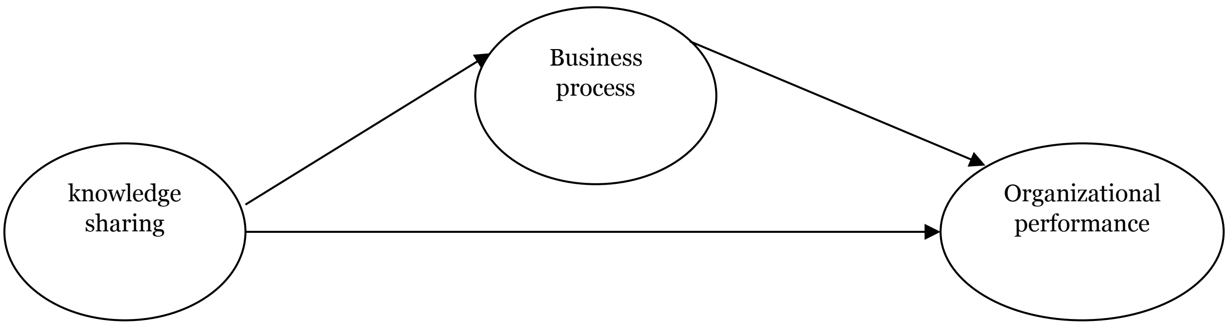

Figure 1: Proposed Model

Proposition1: Knowledge sharing positively effects business process.
Proposition2: Knowledge sharing positively effects organizational performance.
Proposition3: Business process significantly effects organizational performance

9. Implication for organizations

The dynamic global economy has made knowledge a key strategic and competitive resource for organizations (O'Neill & Adya, 2007). Recognizing knowledge as a source for gaining competitive advantage makes it crucial for organizations to manage knowledge in a way that they can get full use of this advantage. In every organization, there is a plenty of knowledge (tacit or explicit), but what determines the success of organization through using these knowledge assets is how they manage it.

It is essential for organizations to apply, store and upgrade their knowledge in time and properly. Otherwise, they might lose money and time which can lead to a loss of competitive advantage. As it is well understood by scholars and practitioners, innovation is the key to sustainable success for all organizations (public, private, or business firms), but there is a key prerequisite to innovation which is knowledge, and it cannot be gained unless it is shared. Knowledge sharing is the heart of knowledge management activities, and if an organization fails to share its stored knowledge and adds value to its knowledge by utilizing knowledge sharing practices it is considered as a fragile organization in the aggressively competitive global market. Therefore, a futuristic and successful business must practice knowledge sharing in order to improve overall organizational performance and achieve sustainable success.

10. Conclusion

Establishment and sharing of knowledge in organizations set up the base for competitive advantage. The competitive advantage offered by knowledge is primarily to assure continuous growth in performance (Argote, 2000; Feldman, 2005). Once one department shares knowledge with other divisions, others get the knowledge through feedback questions; development and adjustments done by other units, adds value for the original sender, and creates support for total growth(Quinn, 1996). If employees use and dispense their operational knowledge, then the organization and employees obtain the benefit of competitive advantage offered through knowledge sharing practices and they grow jointly. Yet, if an organization cannot manage to develop knowledge sharing activities, it will lose the advantage and will be considered a fragile organization in an extremely competitive environment (Kearns, 2003; Spender, 1996).

Knowledge sharing across the organization's departments leads an organization to accomplish strategic advantages and advance operational competencies (Law&Ngai, 2008). Knowledge sharing guides organizations to product, service and operational innovation. These innovations provide the competitive advantage of reacting to yet changing costumers' demands, and are necessary for organizations to endure and succeed in the exceedingly violent market (Calantone, 2002; Tracey, 1999).

Nowadays, in various industries, customers are incessantly swamped by vast amount of regular products and services. As a result, customers are in the favor of novel and creative substitutes (Victorino, Verma, Plaschka, & Dev, Accessed 2011). As the main basis for an organization (public, private, or business) existence and presence is to offer products or services to its customers. An organization should introduce products and services that can distinguish them from their competitors and offer them a competitive advantage (Smith, 2011). As the definition of customer satisfaction explains, customer satisfaction is the customers' insight of the level to which their wants, goals, and desires have been entirely met (Carvajal, Ruzzi, Nogales, & Suárez, 2012), By fulfilling the desire of customers to novel and inventive products, organizations can satisfy their customers' need for these kind of products and services. When customers are satisfied with an organization, it will be difficult for rivals to convince them to switch. Customer satisfaction can result in repurchasing by the satisfied customer and speaking well about products or services offered by the organization to others who intend to purchase. These results in increase in sales or profits (Mensha, 2010) which can improve organizational performance. In conclusion, we can say that knowledge sharing presents competitive advantage to the organization, which will influence company performance in terms of cost reduction, quick respond to customers' needs, growth in sale and market share, higher profits compared to their rivals, developing new services, enhanced customer satisfaction, customer retention, and overall organization performance (Law, 2008; Tracey, 1999; Yang, 2008).

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