Chapter 3
The Importance of Knowledge Creation and Knowledge Sharing

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ABSTRACT

This chapter explains the overview of knowledge creation; the applications of knowledge creation; the overview of knowledge sharing; knowledge sharing and social media; and the advanced issues of knowledge sharing. Knowledge creation and knowledge sharing are the essential components of knowledge management (KM) for achieving sustainable competitive advantage. With the support of advanced technologies, knowledge creation and knowledge sharing can be productively utilized in various organizations. When knowledge is created and shared, executives and management must distribute that knowledge to their employees toward organizational success in a timely and effective manner. To gain the effective organizational learning, creating and sharing knowledge should be added in the organizational policy, and should be executed through workplace communication among organizational employees.

INTRODUCTION

Regarding knowledge creation, knowledge can be established through positive interactions between explicit and tacit knowledge (Kasemsap, 2017a). Tacit knowledge is the core value element for enterprises to obtain the competitive advantages in the knowledge economy era (Jin-Feng, Ming-Yan, Li-Jie, & Jun-Ju, 2017). Engaging in knowledge creation enhances an individual’s task knowledge through the practices of sharing and applying knowledge (Muhammed, Doll, & Deng, 2013). Knowledge management (KM) involves the strategies and processes designed to identify, organize, and share both intellectual assets (Kasemsap, 2017b) and organizational resources (Kasemsap, 2018a).

KM becomes popular among modern organizations toward enhancing competitive advantage, innovation, and effectiveness in the knowledge age (Kasemsap, 2018b), is related to the behavior of contemporary organizations (Huang, Davison, Liu, & Gu, 2008), and aims to create an effective environment that

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facilitates knowledge execution in order to improve knowledge creation and organizational performance (Kaschig, Maier, & Sandow, 2016). Regarding KM, knowledge acquisition and knowledge transfer significantly affect knowledge creation (Seleim & Khalil, 2009). Since KM programs are put in place to monitor workers in the performance of their jobs; knowledge creation is an essential component in the achievement of goals and production of economic benefit of an organization (Jennex, 2013).

In order to improve the level of decision making and competitive advantage, organizations try to learn and develop new KM techniques that are suited in the global economy (Xia & Gupta, 2008). The concept of knowledge sharing is gaining popularity due to both increased awareness and new KM initiatives (Majid & Wey, 2009). Knowledge sharing is an interactive process where organizations must work on hard information resources (e.g., the basic cornerstones of any knowledge sharing) and must make constant investment into soft information resources, learning, intellectual capital, and process design in order to manage their information resources (Widén-Wulff & Suomi, 2007).

The literature considers knowledge sharing as an important factor for driving innovation as well as the organization’s business performance, as both explicit and tacit knowledge sharing promotes a novel approach for business-knowledge process (Oyemomi, Liu, Neaga, & Alkhuraiji, 2016). Knowledge strategy affects multinational firms’ knowledge sharing in host country networks (Bhatti, Larimo, & Carrasco, 2016). Thus, network interactions are a source of learning and knowledge acquisition for firms to fill their knowledge gaps in the knowledge era (Bhatti et al., 2016).

This chapter is based on a literature review of knowledge creation and knowledge sharing. The extensive literature of knowledge creation and knowledge sharing provides a contribution to practitioners and researchers by explaining their importance in the knowledge age.

**BACKGROUND**

Knowledge is created in social interactions among individuals and between individuals and their organizations so it is a dynamic human process (Somoza, Prado, & Rivera, 2011), and is considered ecological and organic in a way that it is flexible enough to rapidly affect many shifts in the business environment (Hori & Ohashi, 2007). The increased reliance on KM systems has made certain theorists to suggest that this will enable the development of knowledge creation, thus leading up to more effective knowledge creation by the easy codification and sharing of knowledge (Värlander, 2010).

A diverse set of resources (e.g., experts with different backgrounds and abilities) provides a broad knowledge base at the individual level, thus offering greater potential for knowledge creation (Fong, 2011). The theory of knowledge creation lists various issues (e.g., organization’s intention, autonomy, creative chaos, redundancy, and requisite variety) as the enablers of knowledge creation. These issues are necessary when a manager supervises the knowledge-creating process on the level of organization (Matsudaira, 2013). Knowledge creation is not only an important step in most KM initiatives, but also has far reaching implications on the consequent steps in the KM process (Wickramasinghe, 2011).

Knowledge sharing as one of the most important parts of the KM system means that an individual, team, and the organization share the knowledge with other members in the form of activities through various ways (Navimipour & Charband, 2016). Small and Sage (2008) stated that a better understanding of knowledge sharing influences can result in the enhanced decision making of knowledge sharing interventions that can result in the improvements in knowledge sharing behavior (KSB). KSB has re-