Competitive Policies for the Acquisition of Sustainable Competitive Advantage in Small- and Medium-Sized Business Entities

Sohila Ezadi

Msc. Executive Management, Department of Management, College of Management, Kermanshah Branch, Islamic Azad University, Kermanshah, Iran

Abstract

The present study attempts to investigate the importance and necessity of implementing knowledge management (KM) in the organizations through evaluating the knowledge management and the significance of taking advantage of knowledge management in small- and medium-sized business entities to achieve sustainable competitive advantage. The study population includes Kermanshah’s Faraman industrial estate active companies which reached the total number of 137 companies according to the last report proposed by Kermanshah’s Industry Organization. Based on this, there was made use of Morgan’s table to obtain the study sample volume which reached the total number of 103 active companies. The results obtained from the application of Pierson’s correlation test and regression were indicative of the fact that there was found a positive and significant relationship between the knowledge management dimensions including knowledge storage, knowledge acquisition, knowledge creation, knowledge transfer and knowledge application with the acquisition of sustainable competitive advantage. Also, by making use of the Freidman test the various aspects of the study independent variable, to wit knowledge management, were rated based on which knowledge storage indicated the highest superiority and knowledge apportionment was indicative of the lowest superiority.

Keywords: knowledge management, sustainable competitive advantage, small- and medium-sized business entities

Introduction

In the current era, the most substantial asset in the production and service providing companies is the knowledge these companies have access to. The organizations can claim they are leading and vanguard when they can enable themselves to be in the possession of the most credible, the most up-to-date and the greatest size of the human knowledge in the field of their businesses and put it into an optimum use and through this possessing the knowledge they empower themselves to take advantage of the wisdom and value-added experiences staked by the staff members and also the implementation, retrieval, reservation and preservation of the knowledge as the intangible organizational assets (Ansari et al, 2012). Knowledge management and its related activities are adopted to serve various and numerous functions in the organizations one of the most original of which is the enhancement of the organization’s competition ability in competitive environments and the creation of sustainable competitive advantages for the organizations and this is more prominent and accentuated in the organizations particularly in knowledge-driven organizations the knowledge of the employees of which is the main factor in offering products or services. Knowledge management is of a great importance in small- and medium-sized companies due to their high competitive potential exhibited by them in the production and service providing areas and the present study deals with the survey of the how the knowledge management can influence the enhancement of the small- and medium-sized companies competitive potential. Nowadays, the majority of the experts believe that the organizations should be seeking to find effective methods to acquire competitive advantages in rivaling with their counterparts Harmsen H. and Jensen B. (2003) believed that main competitive aspect in every economical entity is the creation and application of the km in that organization. In this way, there is a need to pay more attention to the necessity of recognition, application and implementation of knowledge
management in organizations. Knowledge management as the fundamental and necessary part of the organizational success entails an extensive array of the organizational ideas such as strategic, economical, behavioral and managerial innovations. In the today’s world that the commodities and the service providing activities have become increasingly knowledge-driven, knowledge is the key asset in acquiring competitive advantages. The importance and the necessity of implementing and making use of knowledge management in small- and medium-sized companies is to the extent that only those organization can make use of knowledge management which show more flexibility in adapting to the environmental conditions and in doing so they try to incur the lowest cost and garner the highest efficiency. In the meantime, small- and medium-sized companies are the most appropriate organizations in adopting the knowledge management due to their possession of such features. The present study tries to find an answer to the question that “how can small- and medium-sized business entities obtain sustainable competitive advantages through studying knowledge management and using it in their companies?”

Definitions

Knowledge management:
Knowledge management is a process which contributes to the organizations in identification, selection, organization, propagation (transfer) of information and critical specialties as part of the organizational memory and that mostly reside in the organizations in an unstructured form (Turban and McILyan, 2004). In another definition, knowledge management has been specified as the awareness of the existing knowledge in the organization, and also the process of creating, apportioning and transferring knowledge, the application of the extant and available knowledge, acquiring new knowledge and storing and incrementing it and such undertakings take place within the organizational learning process and according to the culture and strategies the organization adopt. Knowledge management is a systematic approach of creation, receiving, organizing, acquiring and applying and the use of knowledge and the other things learnt and such things help decision making improve, bring about more intensified flexibility and the reduction in the work load, the increase in productivity and open up new business opportunities, decrease the costs and improve the employees motivation in educational and training organizations. Defining knowledge management is not an easy task, and there is no specific definition which has been agreed upon globally. One common problem in proposing a definition for KM is that the definition of knowledge alone is so vast and extreme that almost anything which can provide for the comprehension of a concept needed by an individual to function efficiently in this world can be envisaged as knowledge management. The difficulty with positing a clear-cut definition for knowledge management has caused the experts and specialists to propose various definitions based on their own experiences and perspectives. Therefore, there is not a world-wide definition on which the entire array of the experts have agreed. For instance, Jones. D. (2003), has defined knowledge management as “the efficient collecting, distributing and use of knowledge resources”. O’Dell, C. & Grayson, J. C. (1996) define KM as “a strategy which has to be adopted in an organization in order to assure that knowledge reaches on the right time to the right individuals and such individuals share that knowledge and make use of the information to reform the organizational performance”. In Bhatt (2001)’s idea, “KM is the process of creation, confirmation, presentation, distribution and application of knowledge”. Grant RM. (1996). realizes knowledge management as “the collection of the procedures, infrastructures and technical and managerial instruments which have been designed with the purpose of creation, apportionment and application of the information and knowledge inside and outside the organizations”. Amin et al (2001) also propose a definition close to the definition made by Bonfurr, “processes and technologies for attracting, apportioning and applying collective knowledge for the purpose of adopting optimized decisions on the right time, here right time is used to mean the time available for making decision regarding an action, which materialistically influences the outcome”. According to the former definition, Sholam Berger expresses the ultimate goal of the knowledge management as “whatever one learns anywhere, uses it everywhere”. Actualizing this objective relies on blending the technology, processes and the individual’s mental and intellectual capitals and then turning it into an effective and specific outcome Foucault, M. (1990). The most primitive definition proposed for
knowledge management states it as “finding a method for the creation, identification, hunting and distributing organizational knowledge to the individuals in need of that knowledge” (Abdolkarimi, 2003).

**Small- and medium-sized business entities:**
Although the subject of the small- and medium-sized industrial entities has been focused on by the policy makers and researchers with an increasingly faster pace, but a unified international definition is yet to come. The definition posed by any country depends on its economical conditions and the industrial structure of that country. Some of the indices which have been usually used in defining the small- and medium sized industries include the followings: the number of the staff members, capital, total assets, sales volume and productive capacities. But, the most common index used for defining the small- and medium-sized industries is the use of the number of the employees. The European statistics organization uses the term small- and medium-sized business entities for the institutions the staff members of which are no more than 250 individuals. In the table below, the definition for the small- and medium-sized enterprises and their scales and measures in various countries have been provided:

<table>
<thead>
<tr>
<th>Country</th>
<th>Small- and medium-sized enterprises definition</th>
<th>Scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>The number of staff below 100 individuals</td>
<td>Number of staff</td>
</tr>
<tr>
<td>Indonesia</td>
<td>The number of staff below 100 individuals</td>
<td>Number of staff</td>
</tr>
<tr>
<td>Japan</td>
<td>The number of staff below 200 individuals or a capital lower than 10 million Yen</td>
<td>The number of staff and the value of assets</td>
</tr>
<tr>
<td>Korea</td>
<td>The number of staff below 200 individuals in production entities, The number of staff below 40 individuals in service entities</td>
<td>Number of staff</td>
</tr>
<tr>
<td>Malaysia</td>
<td>Annual turnover of less than 150 million financial unit and the number of staff below 100 individuals</td>
<td>The number of staff and turnover</td>
</tr>
<tr>
<td>Philippine</td>
<td>The number of staff below 100 individuals and the total asset of less than 20 million financial units</td>
<td>The number of staff and assets inventory</td>
</tr>
<tr>
<td>Singapore</td>
<td>In production entities, the fixed assets value of less than 14 million Singapore Dollars and in service entities the number of staff of below 100 individuals</td>
<td>The number of staff and the assets inventory</td>
</tr>
<tr>
<td>China Taipei</td>
<td>in production entities the liquidated capital of less than 20 million and total assets of less than 120 million and in business and service institutes the sales volume of less than 20 million</td>
<td>Sales</td>
</tr>
<tr>
<td>Thailand</td>
<td>The number of staff of less than 100 individuals in labor-intensive industries and the capital of below 100 million in capital-intensive industries</td>
<td>Number of staff and capital</td>
</tr>
<tr>
<td>Germany</td>
<td>The number of staff less than 50 individuals. Those entities with maximum number of staff of 10 individuals are considered as small-sized and those with the number of staff ranging from 10 to 50 individuals are medium-sized entities. The business entities with financial turnover of below 50 million Marks annually are considered as medium and those with financial turnover of less than 500 thousand Marks annually are small-sized business entities.</td>
<td>The number of staff and turnover</td>
</tr>
</tbody>
</table>

**Sustainable competitive advantage:**
Barney (1991) asserts the most approximate definition for the sustainable competitive advantage based on which the sustainable competitive advantage is “the continuation of the gains obtained from executing unique value-creating strategies which take place asynchronous to the existing potential rivals and competitors in such a manner that they cannot be able to duplicate such gains and benefits” (Zarnejad et al, 2012). Competitive advantage is the extent to which one company outperforms its competitors in offering products which are increasingly more attractive to the customers. Competitive advantage includes the collection of the factors or the capabilities which always enable the company to display a performance better than the competitors (Attaran, 2012). Competitive advantage is the values and benefits offered by the company to the customers in such a manner that such values be higher than the costs incurred on the customers (Attaran, 2012).

**Theoretical principles**
The role played by KM as the foundation and the base of the organizations’ competitive advantage has been highlighted in a great majority of the recent studies regarding the strategic management (Barney, 2001; Grant, 1996; La Du and Wilson, 1994; Foucault, M. 1990; Prahalad C.K. and Hamel G. 1990). There are many factors influencing the organizations’ competition ability among which one can point to the
development of the organizations’ potential competencies Harmsen H. and Jensen B. (2003) or manufacturing products or offering services completely distinct from the rivals (Turban and McLean, 2004). Although there are many studies implying that knowledge has been recognized as a source for being able to compete, but this valuable resource is not yet managed in the organizations and only a few percent of the organizational managers believe that knowledge is well-managed in the organizations (Tacocchi, 1998). Regarding competition ability, a group of the experts believe that a company can only be the conqueror of a competitive battle when it is in the possession of a sort of knowledge more appropriate than the knowledge its rivals have. From this perspective, competition ability is basically emerges from the company and the knowledge it possesses. Knowledge is an appropriate resource for acquiring competitive advantage since when a company has appropriate knowledge it can make use of this knowledge to reduce its total costs in many of the areas (Grant, 1997). Competition ability has been defined in line with the terms such as capability and the tendency to enter a competition. From the economical perspective, Michael Porter defines competition ability as “being synonymous to productivity and the way an organization or a nation applies its human resources, capital and natural resources” (Porter, 2005). In not so long ago, an organization or a human community’s competitive advantage or power was considered as their more access to the substantial resources (Ansari et al, 2012). But, now that we have left behind the industrial revolution and are getting prepared to embrace the new millennium, things have completely changed, the organizational impetus for movement and growth does not constrain to the materialistic resources and capital, rather the most important full-fledged growth variable for the organizations and economic business entities in the current era is knowledge Humphery, J. and Schmitz, H. (1998). Thus, knowledge has been considered as one of the most critical strategic resources available for the organizations, and accordingly, knowledge generation has become necessary for acquiring competitive advantage and organizational accomplishments (Grant, 1997). Although the theme of the small- and medium-sized business entities has been focused on with an increasingly faster tempo by many of the policy-makers and researchers during recent years, but there is not yet provided a unified definition in an international level. Definitions proposed by any country depend heavily on its economic circumstances and its industrial structure. Some of the indices that are commonly being used in defining the small- and medium-sized industries are the number of the employees, capital, total assets, sales volume and productive capacities. But the most prevalent index for defining the small- and medium-sized industries is the use of the number of employees. The European Statistics Institution applies the term small- and medium-sized business entities for the institutions with less than 250 employees (Afkhami & Razavi, 2002). The importance and the role of the small- and medium-sized industries in the industrial countries and in the developing countries have been increasing during the recent years. During the past two decades, there have been witnessed changes and evolutions in industrial entities capabilities, production methodologies and distribution and the business entities formative structure with the emergence of the modern technologies in production and communication which have generally added to the importance of the small- and medium-sized entities (Yee Yang & Zhang, 2005). In the today’s world, in most of the countries around the world small- and medium-sized industries are playing a part in various social aspects, industrial production and offering services and in many of the other countries such entities are the main suppliers of employment, cradles of evolution and innovation and they are the leaders in innovating novel technologies. The existence of environmental challenges and the change in managerial processes have also contributed to the pertinence of such institutions role which has brought about the institutionalization of downsizing policies, outsourcing activities, re-structuring, reengineering and especially encouraging entrepreneurship, accelerating the establishment of small- and medium-sized entrepreneur institutions Evants, C. (2003). According to a report in 2006, there have been 140 million small- and medium-sized business entities around the world and about 60% of the world labor force has been busy working in such companies and firms Desouza, K.C., &Evaristo,G.R.(2006). And this is indicative of the importance and the necessity for forming and implementing small businesses. For the time being, competition ability is a pivotal subject matter in a global level and it is reminded of as a mean to achieve favorable and optimum economical growth and sustainable development. In a globalized economy being capable to compete has been taken as equal to the possibility of obtaining appropriate situations and positions in international markets. In the daily increasing development era of globalization, competitiveness
is regarded as an important theme by the policy-makers from various levels in various parts of the world particularly in small- and medium-sized enterprises (Shorchelo, 2002).

Study background
Metaxiotis, K. Psarras, J. and Papastefanatos, S. (2009), in an article entitled “KM approach for acquiring competitive advantage with the nutritional sector as case study in Italy”, comparatively studies two companies active in the nutrition and food area, one of them was concentrated on marketing and the other one was performing by making use of KM and innovation, and based on the findings he claims that “not only the knowledge territory but also innovation are regarded as sustainable competitive advantages for the second company and it acted more successfully in contrast to its counterpart”. Dess and Lumpkin. (2003) in an article entitled “the methods of extensive controlling and accessibility on the KM system in a company” came to this conclusion that in most of the cases the number of the users applying the KM system was very high and that they are also different from the other groups active in organizations. In this article, some of the temporal problems in getting access to the extant methods of controlling and applying KM have been surveyed and it was concluded that such methods have been widely applied and that they are in need of revision and to overcome the deficiencies of the previous works a KM system, accessibility-based advanced control and a combinatory approach were recommended. Ansari et al (2012) in a field study under the title of “presentation of a conceptual model of the KM successful implementation effect on the acquisition of competitive advantage in small- and medium-sized companies” came to this conclusion that organizational culture and information exert the highest effect on KM success and the organizational structure only plays a trivial role and this is suggestive of the idea that there is no coherent organizational structure in small- and medium-sized business enterprises in Iran. Cross. M. (1983) in a study entitled “small- and medium-sized entities preparation insignificance for the implementation of KM” concluded that a considerable difference is observed from the perspective of KM system patterns implementation. The results of the study indicated that the small- and medium-sized business entities adopt different approaches to KM.

Conceptual model
Based on the study literature the following conceptual model can be considered for the present study in which KM and its dimensions and aspects have been taken as the independent variable and sustainable competitive advantage is deemed as the dependent variable:

Model components explication:
Knowledge creation: it includes producing or discovering the new knowledge through research and development, tests, learnt experiences, creative thinking and innovation. In Rastogi’s opinion, this component is the most advanced stage in knowledge management in the organizations. Ambashta Ajitabh, Momaya K. (2002). Knowledge acquisition: it includes searching, recognizing, and blending of the potential valuable knowledge available outside the organization. The important indicators of the knowledge acquisition are searching, sourcing and linking. Nadvi, K., Barrientos, S. (2004). Knowledge transfer and sharing: in order for the organizational knowledge to be more effective it should be transferred or shared.
Sharing or transferring can be conceptually regarded as two extremes of a spectrum. Transferring knowledge is an objective-oriented and centralized exchange of the information from the sender to the receiver Albu, M. (1997). Knowledge application: it includes activities regarding the creation of the new knowledge from the extant knowledge (for specimen, discovering the customers’ internal desires from the way they behave and applying the current knowledge (regarding the fields such as attracting the new customers and retaining the current customers) Alavi M. & Leidner D.E. (2001). Knowledge storage (accumulation): a process during which the cases of organizational experiences which are of the value to be kept and protected are identified, determined and then stored in the format of organizational memory (Akimova, 2001). Knowledge management: it includes offering the appropriate knowledge to the appropriate individuals on the right time, to generate and distribute knowledge and undertake convenient measures accordingly (Holm, 2001). Shankar believes that KM is the process of identification and exploiting organizational knowledge assets in order for the business advantages to be transferred to the customers or organization (Shankar, et al 2003). Sustainable competitive advantage: Barney (1991) provides the closest definition for the sustainable competitive advantage based on which sustainable competitive advantage is “implementing an exclusive value creating strategy not simultaneously being implemented by any current or potential competitor and when these other firms are not able to duplicate the benefits of this strategy” (Zarnejad et al, 2012).

**Hypotheses**

**Main hypothesis:**
- There is a significant relationship between KM and acquiring sustainable competitive advantage.

**Secondary hypotheses:**
- There is a statistically significant relationship between knowledge creation and acquiring sustainable competitive advantage.
- There is a statistically significant relationship between knowledge storage and acquiring sustainable competitive advantage.
- There is a statistically significant relationship between knowledge propagation and acquiring sustainable competitive advantage.
- There is a statistically significant relationship between knowledge acquisition and acquiring sustainable competitive advantage.
- There is a statistically significant relationship between knowledge application and acquiring sustainable competitive advantage.

**Methodology**

The current study methodology is a descriptive one of the survey or overview type. And it is in a manner that the objective is to describe the studied phenomena or circumstances. Also, the present study is an applied research from its objective point of view. The study population is comprised of all of the active companies in Kermanshah’s Faraman industrial estate which reach the total number of 137 active companies based on the latest reports. In this regard, to obtain the study population there was made use of Morgan’s table based on which the number of study sample volume was estimated to be 103 companies. To collect the information required for the current study library research (books, articles and so forth) and field study methods (the use of researcher-made questionnaire) were taken advantage of. The questionnaire was consisted of two parts, the first part was related to KM containing 25 questions and the second part pertained to sustainable competitive advantage containing 15 questions and the questionnaires were administered to the study sample volume. To assess the questionnaires validity, the management field experts’ ideas and notions were applied. To do so, the questionnaires were handed over to some of the specialists and after the corrections and verifications by them they were distributed to the study population. Also, for the questionnaires to pass a final verification regarding the reliability there was made use of Cronbach’s alpha method based on which the reliability coefficient of the KM questionnaire was calculated as equal to 87.7% and for the sustainable competitive advantage this rate was estimated as equal to 78.7% which is indicative of the acceptable reliability of both of the questionnaires. Since the present study aims
at the survey of the relationship between the variables extant in the study, Pierson correlation test and regression analysis were applied to analyze the data. Also, Friedman test was used to rate the independent variable ranks. After the data resulting from the questionnaires were analyzed a table was drawn to test each of the main and secondary hypotheses which commonly incorporated the dependent and independent variables measurement results associated to the study hypotheses. By the use of the above-mentioned table and through carrying out the Person correlation test to investigate the associations between the study variables the regression analysis test to investigate the variables correlation intensity and finally Freidman test to rate the study variables were performed as described below:

Friedman test for rating the variables was conducted as below:

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Correlation coefficient</th>
<th>Significance index</th>
<th>Hypothesis rejection or acceptance</th>
</tr>
</thead>
<tbody>
<tr>
<td>The effect of the KM on acquiring sustainable competitive advantage</td>
<td>0.681</td>
<td>0.00</td>
<td>Accepted</td>
</tr>
<tr>
<td>The effect of the knowledge creation on acquiring sustainable competitive advantage</td>
<td>0.282</td>
<td>0.013</td>
<td>Accepted</td>
</tr>
<tr>
<td>The effect of the knowledge storage on acquiring sustainable competitive advantage</td>
<td>0.0546</td>
<td>0.00</td>
<td>Accepted</td>
</tr>
<tr>
<td>The effect of the knowledge propagation on acquiring sustainable competitive advantage</td>
<td>0.612</td>
<td>0.03</td>
<td>Accepted</td>
</tr>
<tr>
<td>The effect of the knowledge acquisition on acquiring sustainable competitive advantage</td>
<td>0.664</td>
<td>0.03</td>
<td>Accepted</td>
</tr>
<tr>
<td>The effect of the knowledge application on acquiring sustainable competitive advantage</td>
<td>0.716</td>
<td>0.004</td>
<td>Accepted</td>
</tr>
</tbody>
</table>

According to the results obtained from this test, all of the study hypotheses were confirmed and it is evident that the higher the correlation coefficient the established relationship between the two variables will be accordingly stronger. Based on the results it is observed that there is a higher correlation between knowledge application and acquiring sustainable competitive advantage. Also, there was observed the lowest correlation intensity between knowledge storage and acquiring sustainable competitive advantage.

<table>
<thead>
<tr>
<th>Table 3: Regression analysis results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
</tr>
<tr>
<td>-------</td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>4</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>5</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

The investigation and recognition of the inter-variable behaviors is the base of regression works. In discussions regarding regression analysis one is to know that what influences are made on the dependent variables through the changes made in the independent variables. Generally, regression analysis technique has been intended to determine the statistical relationship between two or several variables and predicting variations in a variable from the other variables in a wide level. According to the outputs, the direct effects of the independent variables on the dependent variable can be displayed as below: and knowledge creation dimension exerts the highest positive effect on the KM enhancement and the knowledge storage dimension exerts the lowest effect.
Table 4: Friedman test

<table>
<thead>
<tr>
<th>Variables</th>
<th>Rating results</th>
<th>Significance level (Sig.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knowledge creation</td>
<td>2.10</td>
<td>0.012</td>
</tr>
<tr>
<td>Knowledge propagation</td>
<td>2.43</td>
<td>0.00</td>
</tr>
<tr>
<td>Knowledge application</td>
<td>2.60</td>
<td>0.00</td>
</tr>
<tr>
<td>Knowledge sharing</td>
<td>2.15</td>
<td>0.00</td>
</tr>
<tr>
<td>Knowledge storage</td>
<td>3.10</td>
<td>0.00</td>
</tr>
</tbody>
</table>

The results obtained in the table indicate that because the significance level is less than 0.05, therefore the presupposition implying the independent variable dimensions priority equality is consequently rejected and there is at least one pair of the mean ranks effects of the fivefold variable which differs significantly from one another. Among the KM dimensions, knowledge creation with the value of 2.10 has the highest rate and the variable knowledge storage with the value of 3.10 should be ranked last among the variables.

Conclusion
To enter the globalization process, establishing a competitive environment is the most important and most original background. The competition arena has been narrowed for the organizations to the extent that they are under so much pressure both internally and externally. The external pressures are imposed by the competitors and the rivals, customers and other effective environmental components on the organizational operations; the competitors are seeking to preempt and take possession of a higher market share, customers expect to receive a value from the organization to satisfy their need in a way better than the rivals, shareholders are seeking to find higher return on their investments. The internal pressures which are per se subject to the pressures from outside the organization are imposed by the management and staff and the software and hardware systems; management is seeking to better actualize the organizational objectives, staff are looking forward to receive more welfare and be more satisfied with the benefits offered, the processes and the activities of the organization should also be corresponding to the environmental and market necessities and requirements. Therefore, according to the new circumstances worldwide, the creation of a competitive space inside the country and consequently the enhancement of the national economy competitive ability are among the most significant tasks in the face of the governments and states, particularly the developing ones. The creation of competitive environment in the country brings about a growth in the advantageous sectors through market expansion of the products offered by such sectors from nationwide to international and oversea levels. The result of such an expansion is the access to the development in various aspects such as industrial, economical, social, cultural and political aspects. According to the majority of the experts of this field, to create a competitive space which will be followed by the country’s enhancement in the competitive ability, it is necessary to augment the entities’ competitive ability or their competition potential. Implementing KM from the perspective of the organization and the type of the technology and human resources can pave the way for an appropriate and convenient environment for industrial growth and development and such awareness can contribute to the sustainable competitive advantage accomplishment and this in itself makes the organization more successful in the global market competition arena. What is understood from the competitive ability requirements and its concept is that the organizations should be thinking to create competitive advantages and sustain this advantage through employing their own resources, capabilities and competencies; in case that one of such aforementioned criteria is missing and if it is made compulsory via the organization’s strategic priorities there should be envisaged preparatory undertakings to provide the organization with them to be able to establish competitive advantage. Since the present study has been conducted on the small- and medium-sized business entities it is necessary to review those of the contents which are of an intervening nature in adopting KM in order to be able to recognize their predetermined features in acquiring sustainable competitive advantage. There is a need for efforts taken towards protection and supporting the small- and medium-sized companies due to their ability to adapt themselves to the today’s environment and due to the fact that their structure provides them with the capability of adjustment to the extensive and full-scale variations and evolutions in implementing knowledge management.
References
Abdolkarimi, M., (2003), knowledge management, technology and creativity and its role in improving the efficiency and
effectiveness of processes, successful management Message, December, Ss49-34.
Akindo, Irina (2001); "Development of market orientation and competitiveness of Ukrainian firms", European Journal of
and research issues. MIS Quarterly, 25 (1), 107-36.
of Sussex.
Ambashta Ajitabah, Momaya K. (2002); "Competitiveness of Firms: Review of Theory, Frameworks, and Models", Singapore
Amin Raphael and Zott Christopher (2001); "Value creation in e-business", Strategic Management Journal, 22.
Model Tasymvfqyt implementation of knowledge management in small and medium businesses," Journal of Business
Attaran, J., Ali Divandari LIFE Dynf, (2012), "Consolidation of market factors affecting the realization of a sustainable
Bhatt, Ganesh D., Knowledge management in organizations : examining the interaction between technologies , techniques and
84-119.
Dess and Lumpkin. (2003); Strategic Management, Mc Graw-Hill.
Harmsen H. and Jensen B. (2003); "Identif
ing the determinants of value creation in the market: A competence-based approach", Journal of Business
Research, 5727.
Holm, J. (August 3-5 2001), "Capturing the Spirit of Knowledge management"Paper presented at the American Conference on
Information systems, Boston, MA.
development studies, 34(4) 32-61.
https://faculty.washington.edu/markh/tc400.
La Du and Wilson, 1994 “Expert Systems, Knowledge Development and Utilization, and Sustained Competitive Advantage: A
Metaxiotis, K. Psarras, J. and Papastefanatos, S. (2009). "Knowledge and Information Management in e-learning environments:
The user agent architecture", Information Management & Computer Security Vol. 10 No. 4, pp. 165-70;
United Kingdom
O’Dell, C. & Grayson, J. C. (1996). If Only We Knew What We Know: Identification and Transfer of Internal Best Practices,
Engineering Firms",Availableat: www.emeraldinsight.com/0043-8022.htm
Shorchelo P. (2002); "National productivity and competitiveness strategies for the new millennium", Integrated Manufacturing
Systems, 13 (6), pp. 408-414.
Turban . Efraise : Mclean . Epfrain ; Wetherbe . James , Information technology for management transforming organizations in
106(6), 793-810, Emerald Group Publishing.
Zarnejad, M, Vmsvd Khodapanahi Vafsath Pyrryan, (2012), "Analysis of the effects of competitive advantage in the insurance
industry," festival Conference insurance business.
Zarnejad, M, Vmsvd Khodapanahi Vafsath Pyrryan, (2012), "Analysis of the effects of competitive advantage in the insurance
industry," festival Conference insurance business.