Emirati Journal of Business, Economics and Social Studies
Vol 4 Issue 2 (2025)
Pages (169 - 176)

Available at
www.emiratesscholar.com

Knowledge Creation through the SECI Model: A Case-Based Perspective

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ARTICLE HISTORY

Received: 06 November 2025.
Accepted: 30 November 2025.
Published: 11 December 2025.

PEER - REVIEW STATEMENT:

This article was reviewed under a double-blind process by three independent reviewers.

HOW TO CITE

Kaur, J., & Kaur, G. (2025). Knowledge Creation through the SECI Model: A Case-Based Perspective. *Emirati Journal of Business, Economics, & Social Studies*, *4*(2), 169-176. https://doi.org/10.54878/5997re76

ABSTRACT

The SECI model developrd by IKUJIRO NONAka is aknowledge model that describes how knowledge is created and shared within organizations. The model's name is an acrony, for four stages of knowledge conversion

Keywords: *Socialisation, Externalization, Combination, Internalization*

Introduction to Knowledge Creation

creation is a fundamental process Knowledge in which new insights, ideas, and capabilities are developed, shared, and embedded within an organization. It involves transforming individual and collective experiences into structured knowledge that can be used to solve problems, innovate, and improve decision-making. In the context of organizations, knowledge creation is not just about gathering information; it's about generating value through learning, collaboration, and experimentation. This process allows organizations to continuously adapt to external changes, respond to emerging challenges, and remain competitive in dynamic environments. Knowledge creation typically involves the interplay between tacit knowledge (personal, context-specific, and hard to formalize) and explicit knowledge (codified, systematic, and easy to communicate) (North and Kumta, 2018). Effective knowledge creation requires not only capturing both types of knowledge but also integrating them in ways that promote organizational learning and performance.

Creation, management, and utilization of knowledge has emerged as one of the most important sources of competitive advantage in contemporary organizations, which have adopted the knowledge-driven economy in the 21 st century. Knowledge creation can be best described as dynamic, continuous and a way in which individuals and organizations create new knowledge, transform old forms of knowledge, as well as, incorporate knowledge to the systems, processes, and the culture of the organization. It occupies a front position in development of innovation, better decision making and response of the organisational bodies to a changing environment. Knowledge creation is not the same as the process of storing information. It entails the transformation of information and experience into sense is through interpretation, collaboration, and synthesis. Specifically, the synthesis between codified knowledge, easy to share and structured, and tacit knowledge, personal, intuitive and hard to describe, is the powerhouse behind generation of new ideas and solutions. Knowledge sharing, experimentation, reflections and cross-functional conversations are other environments that have to be developed in organizations to facilitate a possible effective knowledge creation. Moreover, in an era of a globalized and digitally interconnected world, the creation of knowledge is not a closed process of internalization anymore. Organizations have the need to connect with the outside stakeholders, i.e. customers, partners, academic institutions, even competitors in order to use the different perspectives and cocreate value. It has spawned such notions as open innovation and networked knowledge ecosystems; in both cases, knowledge creation becomes decentralized and collaborative.

Knowledge creation is strategic in its significance on a number of dimensions within an organization, including products development, processes, customer satisfaction and workers. It also plays a crucial part of organizational learning whose journey is shaped by the insight of the lessons learnt. To realize the potential of knowledge production, most organizations are following systematic models and frameworks to support capturing, distribution, and usage of knowledge (North and Kumta, 2018). Far from this, knowledge generation is a sustained process and is socially anchored as the process through which organizations change, adapt and thrive in the global realm of ever-changing environment. Prudent investment on mechanisms, culture, and technologies that aid creation of knowledge are necessary aspects any organization needs to become successful in the long term.

Importance of knowledge in organizational learning

Knowledge is a crucial aspect in the learning process of organizations since it has been used to form the basis on which organizations base their abilities to change, innovate and enhance at all times. It also helps an organization learn through its historical experiences as it captures some nice organizational experiences then this information is helpful in making superior decisions and providing them with ways of not repeating errors. With knowledge sharing and collaborations, the organizations eliminate the silos and create a shared reality that facilitates the integration of

efforts into the accomplishment of a shared vision. In addition, the knowledge facilitates innovation contributing to the raw material of the innovative solutions to the problems and the new commodities, services, and processes that can be innovated (Rezaei et al. 2024). It is also a source of organizational memory, and this means the expertise and information that is vital to the organization will still be found even after the change of personnel and thereby continuity and stability will be preserved. A sustainable competitive advantage is provided to organizations that place a heavy emphasis on knowledge as one of the strategic resources, since this will further allow the organization to strengthen learning, adaptation and proactive approach to continuous changes in the business environment.

Organizational learning is based on knowledge as it is the key ingredient through which an organization can learn. The knowledge helps organizations in gaining, understanding, and using the information to make its processes better and adapt to the ever-changing environment. It serves as the constituent of continuous learning, which enables organizations to turn the personal experience and knowledge into a shared knowledge that can be utilized both between teams and within departments. The collective knowledge helps in making better decisions through provision of information that is relevant and timely thus decreating uncertainties and increasing strategic planning. Moreover, it is through knowledge that innovation can be achieved since it creates stimuli of ideas and leads to creation of new products, services, as well as changing methods that are created to suit the needs of the market that is evolving in a dynamic manner. It is also important in retaining organizational memory so that critical knowledge and experience as well as lessons achieved by an organization are retained regardless of the discontinuation of employees, thereby securing long-term stability and expansion. With the help of a culture of knowledge sharing and collaboration, organizations destroy the walls that separates silos and promote free flow of information that facilitates problem-solving and quickens learning. In conclusion, through proper management and usage of knowledge, organizations would achieve a robust learning environment, which would be sufficient to not only lead to performance enhancement, but also deliver a sustainable competitive, especially in the modern busy and dynamic business society.

Need for structured knowledge creation models

In the modern growing and dynamic business world, formulations of knowledge cannot be deferred to chance couplings as well as self-generating mechanisms, but there is definite approach to resolute models of knowledge creating, who and how organizations create, convey and use knowledge. These models offer an outline to assist organizations in harnessing both tacit knowledge or personal experience-related insights, which are usually challenging to explain, and explicit knowledge that is formal and easily communicated. Otherwise, without a systematic process, some valuable knowledge can be kept only in the minds of individuals or groups of people, which can contribute to inefficiency and missed innovation opportunities. The systematic models encourage uniform approach by facilitating the conversion, integration and relaying of the knowledge to maximize the transformation of the new ideas into assets of a company that serves the interest of various stakeholders. They also enable cooperation and communication between various departments of the enterprise, destroying barriers that usually impede knowledge transfer (Anshari and Hamdan, 2022). In addition to above, these models can be used by organizations to facilitate the constant improvement of their knowledge process, quantify the impact and streamline their knowledge generation process with their strategic objectives. With structured knowledge creation models, the organizations will be able to create an organizational culture of learning as well as innovation which aids in the sustainability growth as well as ability to adapt swiftly in the ever-changing markets.

Dynamic relationship with the various kinds of knowledge is achieved through structured models which have led to the collaboration of departments and creating the atmosphere where

knowledge is readily shared and is incrementally expanded. They also help the organizations to incorporate knowledge creation within its culture and operations so that it reflects the overall goals of the business and helps in decision-making. Also, the structure models equip the organizations with tools used to trace and analyze knowledge processes, which are used to define gaps and enhance organizational efficiency. With the adoption of clearly defined frameworks, like the SECI model (Socialization, Externalization, Combination, Internalization), organization can successfully embrace the strength of the concept of knowledge creation and make it an organizational strategic power, which drives the processes of innovation, adaptability, and long-term success.

Understanding the SECI Model

Overview of Nonaka & Takeuchi's SECI framework

The SECI model, developed by Ikujiro Nonaka and Hirotaka Takeuchi, is a foundational framework in knowledge management that explains how knowledge is created and transformed within organizations. This model highlights the dynamic interaction between two types of knowledge: tacit knowledge, which is personal, context-specific, and hard to formalize, and explicit knowledge, which is codified, systematic, and easily communicated. The SECI framework describes knowledge creation as a continuous process involving the conversion of knowledge between these two forms through four distinct modes. The SECI framework, developed by Ikujiro Nonaka and Hirotaka Takeuchi in the 1990s, is a groundbreaking model that explains how knowledge is created and expanded within organizations. SECI stands for Socialization, Externalization, Combination, and Internalization—the four modes of knowledge conversion that describe the dynamic interaction between tacit knowledge (personal, experience-based, and difficult to articulate) and explicit knowledge (formal, codified, and easily communicated) (Kahrens and Früauff, 2018). The model presents knowledge creation not as a static process, but as a continuous, cyclical activity in which knowledge is transformed and elevated through social interaction and collaboration. Unlike traditional approaches that treat knowledge as a fixed resource, the SECI framework emphasizes the social and human-centered nature of knowledge, highlighting that innovation and learning stem from the ability to convert and circulate knowledge across different forms. The model is visualized as a spiral, where knowledge moves through these four modes repeatedly, expanding in scope as it flows from individuals to groups and eventually to the entire organization. By encouraging open communication, shared experiences, and reflective practices, the SECI model enables organizations to continuously generate and evolve knowledge, making it a powerful tool for driving innovation, organizational learning, and long-term competitive advantage.

The four modes: Socialization, Externalization, Combination, Internalization

1. Socialization (Tacit to Tacit): Socialization is the process of sharing **tacit knowledge** between individuals through shared experiences, observation, and direct interaction, without using formal language. It enables people to learn through immersion, imitation, and collaboration.

2. Externalization (Tacit to Explicit): Externalization is the process of converting tacit knowledge into explicit knowledge by articulating insights, thoughts, or experiences through dialogue, metaphors, models, or written documentation. It allows personal knowledge to be understood and shared with others.

3. Combination (Explicit to Explicit): Combination is the process of merging, categorizing, and systematizing different pieces of explicit knowledge to generate new explicit knowledge. It involves organizing data, reports, and documents to create more comprehensive frameworks or systems.

4. Internalization (Explicit to Tacit): Internalization is the process of converting explicit knowledge into tacit knowledge through learning and practice. It occurs when individuals internalize documented information and apply it in real

situations, making it part of their personal experience and skill set (Kahrens and Früauff, 2018).

Spiral of knowledge

Spiral of Knowledge constitutes a main principle within the SECI model developed by Nonaka and Takeuchi, and it explains the process of creation and expansion of the existing knowledge due to the dynamic interactions between tacit and explicit knowledge. Knowledge creation is not a linear process but rather spiral one which starts at individual level and proceeds on to teams, the organization and even cross organizations. Knowledge, as it passes through the four SECI modes (socialization, externalization, combination, internalization) becomes refined, improved, and transformed. It is a process through which ideas and experiences of individuals can be exchanged, captured and combined with other knowledge and subsequently internalized by others as they practice which has a feedback loop upon itself that repeats itself out on the greater levels of complexity and value. The spiral depicts the fact that the generation of knowledge is progressive and cumulative and at every generation, the knowledge accrues and this facilitates constant learning, innovation and growth in an organization. It underlines that knowledge is dynamic and it socially develops in the context of collaboration, communication, and action, and that, in the end, it will be transformed into a strategic resource that will propel long-term competitiveness.

Application of the SECI Model in Organizations

The SECI model has wide-ranging applications across industries, making it a valuable tool for organizations aiming to enhance knowledge creation, innovation, and continuous learning. In real-world settings, companies in sectors such as manufacturing, healthcare, IT, education, and finance have used the SECI framework to improve knowledge sharing and transform individual expertise into collective organizational intelligence. For instance, tech companies use socialization through peer programming or collaborative workshops, while hospitals rely on externalization to document doctors' tacit knowledge into medical protocols. In corporate environments, explicit knowledge is combined from various departments to build knowledge repositories, training materials, or strategic plans (Adesina and Ocholla, 2019). Through internalization, employees gain hands-on experience by applying documented knowledge, turning it into personal skill. Strategically, the SECI model supports innovation by encouraging the free flow of knowledge and enabling organizations to convert individual insights into scalable solutions. It also strengthens organizational learning by embedding knowledge creation into daily routines, decision-making processes, and long-term strategy. As a result, the SECI model not only helps in managing knowledge effectively but also acts as a catalyst for cultural transformation, agility, and sustained competitive advantage in a knowledge-driven economy.

Real-world relevance across industries

The SECI model has found extensive use in a wide number of industries because of its flexible nature of knowledge creation and its management. To give an example, in the healthcare sector, doctors and physicians realize tacit knowledge through hands-on work with patients and their inexperienced colleagues, whereas hospitals translate it into a readily understood form by formulating protocols and rules that enhance patient care. Companies that deal with manufacturing, like Toyota, use the SECI framework to transplant the tacit skills of craftsmanship to routinized practices, and improve on quality and efficiency. Technology companies believe in the sharing of knowledge and the cooperation of programmers and specialists to promote the process of innovation and faster solving of problems. The model is applied to education institutions, converting the unique teaching experiences into latest curriculums and learning contents and internalized by the students (Almuayqil et al. 2017). In all these sectors of life, SECI model assists companies in capturing high worth knowledge, transferring it among groups, and retaining them to be used later by the organization, and thus

avoiding the risk of tacit and explicit knowledge being unsuccessful.

Strategic implications for innovation and learning

Strategically, the SECI model plays a critical role in driving innovation and fostering a culture of continuous learning within organizations. By enabling the dynamic conversion of tacit and explicit knowledge, it encourages the sharing of insights and creative ideas that fuel product development, process improvements, and new business models. The model supports organizational agility by embedding knowledge creation into everyday practices, making learning a continuous and collaborative effort rather than a one-time event. This ongoing cycle of knowledge transformation helps organizations adapt quickly to changing market conditions and technological advances (Maras et al. 2024). Moreover, the SECI model enhances decision-making by ensuring that knowledge is accessible and applicable at all levels, thereby reducing risks and increasing effectiveness. Ultimately, organizations that effectively leverage the SECI framework can cultivate an innovative mindset, improve employee capabilities, and sustain long-term competitive advantage in increasingly complex and knowledge-driven markets.

Case Study: SECI Model in Action

Background of the organization

In this section, provide a brief overview of the organization chosen for the case study. Include information such as the industry it operates in, its size, and its key products or services. Highlight why the organization is relevant for studying the SECI model—perhaps it is known for its strong knowledge management practices or its culture of innovation. For example, Toyota, a leading automotive manufacturer, is often cited for its effective use of knowledge creation models to drive continuous improvement and innovation in its production processes (Cerchione et al. 2024). The background should set the context for how knowledge management plays a role in the company's strategic objectives and daily operations.

Step-by-step analysis of SECI processes

This section breaks down how the organization applies each of the four SECI modes in practice:

- Socialization: Describe how tacit knowledge is shared informally through mentoring, apprenticeships, or on-the-job training. For example, new employees at Toyota learn tacit skills by working closely with experienced workers on the factory floor.
- Externalization: Explain how tacit knowledge is converted into explicit knowledge, such as documenting best practices, creating manuals, or using storytelling to capture insights (Meza et al. 2024). Toyota, for example, codifies tacit craftsmanship knowledge into standardized work procedures and training materials.
- Combination: Discuss how explicit knowledge from various sources is integrated and systematized. This might involve compiling reports, creating databases, or developing company-wide guidelines that combine knowledge from different departments or projects.
- Internalization: Show how explicit knowledge is absorbed back into tacit knowledge through practice and experience. Employees use documented procedures in their work until these practices become second nature, enabling continuous learning and skill development.

Outcomes and lessons learned

In this section, summarize the key results achieved by the organization through the application of the SECI model. This might include improvements in innovation, productivity, employee skills, or knowledge retention. Highlight how the model helped the company foster a culture of continuous learning and adaptability. Discuss any challenges faced during implementation and how they were addressed (Meza et al. 2024). Finally, reflect on the broader lessons that other organizations can take from this case study, such

as the importance of encouraging tacit knowledge sharing or establishing formal systems to capture and disseminate knowledge.

The practical application of the SECI model in the case of the Toyota enterprises has produced effective and considerable results. These consist of more productive efficiency, increased product excellence and maintained innovation that has placed Toyota on top in the automobile market. Culture of continuous learning has also been encouraged by the knowledge spiral enabled by SECI processes where the employees have participated in knowledge creation and improvement activities. Given this way of doing things, Toyota has also managed to experience effective knowledge preservation even as manpower adjustments occur so that vital skills and experience are transferred in an orderly manner. Nonetheless, the process was faced with obstacles like how to balance tacit knowledge sharing that is informal and comprehensive documentation and the process of achieving the overall participation of employees (Zatuchin, 2024). Toyota focused on these issues in leadership commitment, training sessions and establishment of teamwork cultures. The experience of Toyota can teach other organizations that it is necessary to invest not only in people but also in the development of the processes so that the entire potential of such knowledge creation models as SECI can be realized. This also showcases that the development of knowledge in the daily operation is the key to remaining successful in the competitive world.

Conclusion and Reflections

In summary, the exploration of knowledge creation through frameworks like Nonaka and Takeuchi's SECI model reveals its critical role in driving organizational learning, innovation, and competitive advantage. The dynamic relationship between tacit and explicit knowledge that is highlighted by the SECI model would give some good insights on how organizations can effectively capture, share, and grow knowledge amongst various levels of these organizations in a systematic manner. Real applications in various sectors that include manufacturing industries or even in the medical fields show the relevance of the model in real life and its capability to instil a culture of continuous change. Nevertheless, effective knowledge management is not that easy to implement. Some of the issues that organizations can have when it comes to effective open knowledge sharing and sharing, and overcoming any cultural resistance such as encouraging open knowledge sharing, cultural issues, and strike the right balance between sharing knowledge in an informally tacit ways as well as documenting it formally. Also, the dynamically changing technologies and growth in the volume of available data offer opportunities and complications in the management of knowledge assets too. Moving forward, the future of knowledge management trends is probably to be aimed at incorporating new digital solutions including artificial intelligence, machine learning, and collaborative platforms to improve the process of knowledge creation and dissemination. Indeed, flexible, individual-focused systems and the promotion of a culture that is conducive to learning will be pivotal to organizations that seek to remain steady and innovative in a world that is more complex and knowledge-driven global economy.

Summary of key insights

Knowledge creation is a vital component of organizational success, driving learning, innovation, and competitive advantage. The SECI model by Nonaka and Takeuchi effectively illustrates how knowledge continuously evolves through the dynamic conversion between tacit and explicit forms. This framework helps organizations systematically capture individual experiences, share knowledge across teams, and integrate new insights into their operations. Real-world applications of the SECI model across various industries—from manufacturing to healthcare and technology—demonstrate its flexibility and practical impact. By embedding knowledge creation into daily practices, organizations can foster a culture of collaboration, continuous improvement, and adaptability that supports long-term growth.

Challenges and future directions for knowledge management

Despite its benefits, knowledge management faces several challenges, including encouraging open knowledge sharing, addressing cultural resistance, and balancing the informal exchange of tacit knowledge with the need for formal documentation. Organizations also grapple with rapidly changing technologies and the overwhelming volume of data that require effective knowledge integration and filtering. Looking forward, the future of knowledge management lies in leveraging advanced digital technologies such as artificial intelligence, machine learning, and collaborative platforms to enhance the creation, storage, and dissemination of knowledge. Furthermore, organizations will need to focus on developing adaptable, user-friendly systems and nurturing a culture that values continuous learning and innovation to stay competitive in a knowledge-driven economy.

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