AN EXPLORATORY STUDY ON THE EFFECTIVE UTILIZATION OF TACIT KNOWLEDGE FOR ORGANIZATIONAL COMPETENCIES

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ABSTRACT

Knowledge management (KM) is the process of capturing, developing, sharing, and effectively using organizational knowledge. As it’s rightly pointed out it refers to a multi-disciplined approach by making the best use of knowledge to achieve organizational objectives. The immediate issue to be addressed is to capture and share tacit knowledge that is in invisible form in culture. Currently, the various changes taking place in the workforce have posed challenges to organizations with regard to continuous learning and to the updating of employees' competencies. Further, the overall managing of one's own job requires competencies that are tacit in nature, such as appropriate ways of managing social interaction and communication as well as knowledge related to work processes; these tacit competencies are only to be learned in an environment that encourages social exchanges. This paper focusses on how tacit knowledge is captured and shared and in turn its impact on organizational competencies. It also suggests model framework of organizational culture’s impact on improving the competencies of organization through tacit knowledge.

Keywords: Tacit Knowledge, Organizational Culture, Tacit Knowledge Sharing, Competencies.
1. INTRODUCTION

Every individual has a unique personality. An individual’s personality is a set of relatively permanent and stable traits. Our personality influences the way we act and interact with others. An organization too has a personality, which we call its culture. Culture is a conceptual word that has been discussed for thousands of years by anthropologists, sociologists, historians and philosophers.

Culture is a system of shared meaning and beliefs held by organizational members that determines, in large degree, how they act. It represents a common perception held by the organization’s members. In every organization, there are systems or patterns of values, symbols, rituals, myths, and practices that have evolved over time. These shared values determine to a large degree what employees see and how they respond to their world. When confronted with problems or work issues, the organizational culture – the way we do things around here- influences what employees can do and how they conceptualize, define, analyze, and resolve issues. Culture provides guidance to behaviors in the society, in apparent and sometimes unnoticeable ways; and it profoundly influences decision-making.

The concept of culture is particularly important when attempting to manage organization-wide change. Knowledge includes facts, information, descriptions, or skills acquired through experience or education. Knowledge acquisition involves complex cognitive processes: perception, communication, association and reasoning. The types of knowledge are explicit knowledge, tacit knowledge and embedded knowledge. The explicit knowledge is type of knowledge which is formalized and codified and is sometimes referred to as know-what. It is therefore fairly easy to identify, store, and retrieve. The tacit knowledge is referred to as know-how and refers to intuitive, hard to define knowledge that is largely experience based. Tacit knowledge is often context dependent and personal in nature. It is hard to communicate and deeply rooted in action, commitment, and involvement. Embedded knowledge refers to the knowledge that is locked in processes, products, culture, routines, and structures. Knowledge is embedded either formally, such as through a management initiative to formalize a certain beneficial routine, or informally as the organization uses and applies the other two knowledge types.

Tacit knowledge is difficult to share in the organization since it is experience based. Tacit knowledge is automatic, requires little or no time or thought and helps determine how organizations make decisions and influence the collective behaviour of their members. Tacit knowledge is technical or cognitive and is made up of mental models, values, beliefs, perceptions, insights and assumptions. Tacit knowledge is grouped according to content, context and orientation. Depending on the person and the situation, one or more types of tacit knowledge may be used in different contexts and orientations. Content knowledge is used to manage oneself, others, or manage one’s tasks. Tacit knowledge is lost through outsourcing, downsizing, mergers and terminations.

Opportunities to use tacit knowledge are prime factors in attracting and maintaining a talented, loyal, productive workforce. If tacit knowledge is not managed properly in the organization it may lose its competitive advantage. Valuable human and knowledge resources is wasted if management does not openly accepts and supports efforts to gather, sort, transform, record and share knowledge. So if an organization is able to acquire and manage tacit knowledge it leads to managerial success and also forms the base of competitive advantage for the organization.
2. REVIEW OF LITERATURE

Organizational culture determines the degree of interaction used to accomplish work. Developing an organizational culture can increase the degree of knowledge sharing within the company. If an organizational culture is created, it encourages employees to freely express their feelings and opinion (Bratianu, 2010) and thus the interconnection between the organizational culture and tacit knowledge. Organizational culture is identified as the hindrance to successful knowledge management in organizations. It builds and reinforces knowledge creation and knowledge management in organization as it impacts how members learn, acquire, and share knowledge. The integrative framework of organizational culture and knowledge management in organizations would facilitate organizational learning, which would in turn lead to the improvement in knowledge management practices (Rajnish Kumar Rai, 2011). Tacit knowledge is deeply embedded in an individual’s actions and experience as well as in his/her ideals, values, or emotions. Tacit knowledge resides in the minds of the knower and it is impossible for tacit knowledge to be shared without the active participation and cooperation of the knower. Organizations can typically be diagnosed as having any one or a combination of four culture types: clan, adhocracy, market, and hierarchy. Clan culture has a positive influence on tacit knowledge sharing behavior; however, market and hierarchy cultures have a negative influence (Visvalingam Suppiah and Manjit Singh Sandhu, 2011). Schein (1985) defines organizational culture as a set of implicit assumptions held by members of a group that determines how the group behaves and responds to its environment. The culture of an organization influences the way in which practitioners learn and share knowledge (Schein, 1999). Culture informs the tacit knowledge in organizations; in referring to the way people act, and how they make sense of each other’s actions (Ivor Perry, 2004). Opportunities to use tacit knowledge are prime factors in attracting and maintaining a talented, loyal, productive workforce (Smith, 2000). Interest in tacit knowledge has also grown rapidly as studies of technological innovation and diffusion have increasingly identified tacit knowledge as an important component of the knowledge used in innovation (Dosi, 1988; Rosenberg, 1976 and 1982; Pavitt, 1987; Senker, 1995; Howells, 1996). Tacit knowledge is considered as most important in the process of learning and knowledge accumulation (Lundvall and Borras, 1997). Tacit knowledge is very important for any organization for competitive advantage (Alice Lam, 1987). Author Khalil Md. Nor told the success of knowledge management, in particular the creation and sharing of tacit knowledge is influenced by organizational culture. He believes that the success of knowledge management is affected by the willingness among individuals to share knowledge, and hypothesizes that certain dimensions of organizational culture encourage the willingness among individuals to share tacit knowledge. In turn, the willingness to share knowledge promotes further creation of knowledge. Hooijberg and Petrock (1993) stated that culture contributes to improved performance and supports self-managing work teams. The role of organizational culture is strongly associated with a firm’s competitive performance. Organizational culture expresses employees’ attitudes and behavior towards knowledge sharing because it reflects their attributes and takes their work, organizational policies, and practices into account (Shin, 2004). Thus, enterprises should reform their culture and reward systems so that employees are encouraged and willing to share their experiences and knowledge with others while continuing to accumulate knowledge as an organizational asset (Chua and Lam, 2005; Xu and Quaddus, 2005) and this says about the correlation between organizational culture, knowledge conversion on corporate performance (Shu Mei Tseng, 2010). To improve
effectiveness of knowledge management/sharing, it is important to study organizational culture, because if it well understood, we can more successfully facilitate building awareness in organization about the tacit knowledge that exist in organization, thus making it explicit; secondly, explicit knowledge sharing is more effective when peoples’ differences are understood and taken into consideration; and thirdly, organizational culture is shared within the organization both consciously and unconsciously. Organizational culture is an appropriate concept to describe the impact of organizational factors on the tacit knowledge. Every organization has its own special organizational culture created collectively by its members and organizational culture gives guidelines for organizational members how to behave and thus it is related to the performance on the organizational and individual levels.

3. TACIT KNOWLEDGE FOR COMPETENCE OF AN ORGANIZATION

Model 1: An Integrated Model

The various components taken into consideration under organizational culture in the model are

Artifacts comprise the physical components of the organization that relay cultural meaning. Artifacts are the tangible aspects of culture shared by members of an organization. Verbal, behavioral and physical artifacts are the surface manifestations of organizational culture.

The next level deals with the professed culture of an organization's members - the values. Shared values are individuals’ preferences regarding certain aspects of the organizations. At this level, local and personal values are widely expressed within the organization.

Basic beliefs and assumptions include individual’s impressions about the trustworthiness and supportiveness of an organization, and are often deeply ingrained within the organization’s culture.

At the third and deepest level, the organization's tacit assumptions are found. These are the elements of culture that are unseen and not cognitively identified in everyday interactions between organizational members. Additionally, these are the elements of culture which are often taboo to discuss inside the organization. Many of these unspoken rules exist without the conscious knowledge of the membership. Those with sufficient experience to understand this deepest level of

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organizational culture usually become acclimatized to its attributes over time, thus reinforcing the invisibility of their existence.

Surveys and casual interviews with organizational members cannot draw out these attributes—rather much more in-depth means is required to first identify then understand organizational culture at this level. Notably, culture at this level is the underlying and driving element often missed by organizational behaviorists.

Most of the times underlying tacit cultural norms are generally not understood before would-be change agents begin their actions. Understanding culture at the deepest level may be insufficient to institute cultural change because the dynamics of interpersonal relationships are added to the dynamics of organizational culture while attempts are made to institute desired change.

The further discussions show how knowledge is shared in an organization and how those tacit forms are converted into explicit knowledge and in turn used for improving competencies of an organization.

3.1. Identifying the Knowledge from Organizational Culture

Organizations have recognized that knowledge constitutes a valuable intangible asset for creating and sustaining competitive advantages. Knowledge sharing activities are generally supported by knowledge management systems. However, technology constitutes only one of the many factors that affect the sharing of knowledge in organizations, such as organizational culture, trust, and incentives. The sharing of knowledge constitutes a major challenge in the field of knowledge management because some employees tend to resist sharing their knowledge with the rest of the organization.

One prominent obstacle is the notion that knowledge is property and ownership thus very important. In order to counteract this, individuals must be reassured that they will receive some type of incentive for what they create. However identified the risk in knowledge sharing is that individuals are most commonly rewarded for what they know, not what they share. If knowledge is not shared, negative consequences such as isolation and resistance to ideas occur. Shared knowledge offers different viewpoints and possible solutions to problems. To promote knowledge sharing and remove knowledge sharing obstacles, the organizational culture should encourage discovery and innovation. This will result in the creation of organizational culture.

While knowledge is commonly treated as an object, at times it is more appropriate to treat it as a flow. Knowledge as a flow can be related to the concept of tacit knowledge, discovered by Polanyi which was later explicited by Nonaka. While the difficulty of sharing knowledge resides in the transference of knowledge from one entity to another, it may prove profitable for organizations to acknowledge the difficulties of knowledge transfer and adopt new knowledge management strategies accordingly.

Components of organization which contributes to knowledge sharing

Past experiences can be retained in any of the five different repositories:
1. Individuals: The employees of organizations are main source of knowledge.
2. Culture: The language and frameworks that exist within an organization and form shared interpretations.
3. Transformations: The procedures and formalized systems that the organization employs. These systems reflect the firm’s past experiences and are repositories for embedded knowledge.

4. Structures: These link the individual to other individuals and to the environment. Social interaction is conditioned by mutual expectations between individuals based on their roles within the organization. The interaction sequences for a pattern over time and begin to extend to an organizational level. This can take place both through formal and informal structure and it constitutes a social memory which stores information about an organization's perception of the environment.

5. External activities: The surroundings of the organization where knowledge and information can be stored. E.g. former employees, government bodies, competitors, etc.

3.2. Methods to retrieve knowledge from organization

- Work practice - spontaneous, improvised, web-like, responds to a changing, unpredictable environment, channels individual expertise, creates knowledge.
- Learn - supervisor or team leader facilitates and reinforces openness and trust to increase sharing of knowledge and business judgment.
- Teach - one-on-one, mentor, internships, coach, on-the-job training, apprenticeships, competency based, brainstorm, people to people.
- Share knowledge - altruistic sharing, networking, face-to-face contact, videoconferencing, chatting, storytelling, personalize knowledge.
- Motivation - inspire through leadership, vision and frequent personal contact with employees.
- Reward - incorporate intrinsic or non-monetary motivators and rewards for sharing information directly, recognize creativity and innovation.
- Relationships - open, friendly, unstructured, based on open, spontaneous sharing of knowledge.
- Technology - tool to select personalized information, facilitate conversations, exchange tacit knowledge, invest moderately in the framework of IT, enable people to find one another.
- Evaluation - based on demonstrated performance, ongoing, spontaneous evaluation.
- Type of thinking - creative, flexible, unchartered, leads to divergent thinking, develop insights.
- Town hall meetings - “Town hall” meetings also promote collaborative knowledge sharing, and shave the benefit of being motivational to many workers. Simply stated, town hall meetings occur when workers attend a loosely structured gathering where ideas and issues are discussed across organizational levels, and responsive actions are introduced.
- Mentoring - Mentor programs offer more individually tailored knowledge sharing, and allow senior workers to directly transmit their experience. Mentoring often occurs informally in organizations, but can be more effective when systematized: providing a more equitable dispersion of mentoring opportunities and allowing organizational guidance in the information exchange process.

From above methods the knowledge is shared in organization and the outcome of shared knowledge is both explicit and in tacit forms. The explicit forms can be easily documented and can be induced in organizations day to day life. But knowledge which is in tacit forms should be retrieved and should be converted into explicit forms and this will in turn improve the competencies of organization.
3.3. Capturing Tacit Knowledge

Tacit knowledge is the relevant information that resides in an individual's head. It's not written down, but is simply the knowledge someone has gathered from experience. It's often untapped, because it is hidden. But it's a treasure trove of knowledge. Tacit knowledge can only be captured when it is found. Therefore the key to successfully leveraging tacit knowledge within an organization is to accurately find the right people to solve that particular situation. Expertise management becomes a central tenet of tacit knowledge.

Organizations that can identify and link experts who can share their tacit knowledge benefit by providing higher quality solutions that are delivered faster and at a lower overall cost. It's applicable in markets that are challenged with business-critical situations, including customer support, IT help desk, strategic account management, team selling, professional services, and R&D. Organizations can, by automatically capturing these interactions, expand the scope of reusable knowledge to include data by analyzing what content is helpful, what processes have worked best for organization and what experts are involved.

This tacit knowledge is automatically captured and immediately usable. So, the next time there is a similar critical business situation, knowledge workers can tap into time-saving, relevant information to increase the quality of resolution while reducing resolution time. When done properly, capturing and sharing knowledge becomes an effortless by-product of the normal issue resolution dialogue.

The various techniques used to capture tacit knowledge are:

- Interviewing employees – structured interviews of subject matter of employees is the most often used technique to render key tacit knowledge of an individual into more explicit forms. In many organizations, structured interviewing is performed through exit interviews that are held when knowledgeable staff is near retirement age.
- Learning by being told – the interviewee expresses and refines his or her knowledge and at the same time, the interviewer or knowledge engineer clarifies and validates the knowledge thus rendering the knowledge in an explicit form. This form of knowledge acquisition typically involves domain and task analysis, process tracing, and protocol analysis and simulations. Simulations are especially effective for later stages of knowledge acquisition, validating, refining, and completing the knowledge capture process.
- Learning by Observation – Observation is an important tool that can provide a wealth of information. Silent observation is best used to capture the spontaneous nature of a particular process or procedure.
- Educating employees for flexibility
- Provide time for learning and openness to ideas
- Encouraging non hierarchical approaches to knowledge
- By using reward and incentive system
3.4. Tacit knowledge to explicit knowledge

Tacit knowledge is distributed and shared through formal and informal socialization. This takes place in the forms of sharing experiences, spending time with each other, apprenticeship, mentorship, meetings, Communities of Practice (COPs), brainstorming sessions and group-work technologies.”. The most critical stage in the process is transferring tacit knowledge into explicit. It should be concerned with identifying, writing, and submitting tacit knowledge initiatives gained from experience, successful or otherwise, for the purpose of improving future performance. The organization needs to set means to stimulate employees thinking and development by identifying and aligning with knowledge necessary to support the organization’s strategy and operations to achieve the projected benefits. Further, organizations shall establish a knowledge base to enable their members to capitalize on verified successes and mistakes, thus producing a cutting edge competitive advantage. The collection process should be continuous throughout the life cycle of the organization. Organizations may adopt for tacit knowledge collection depending on the nature and size of the organization. It is critical for the knowledge coordinator and knowledge circles to actively create a motivated and flexible environment by allowing and absorbing tacit knowledge sharing initiatives. Formal collection workshops can be arranged at regular intervals to keep the organization on its toes in terms of continuous awareness, commitment and system update. The tacit knowledge initiative shall be thoroughly and promptly reviewed for fitness to business use. The organization needs to establish a formal review process for tacit knowledge initiatives. In order to ensure wider applicability and benefit, documented tacit knowledge must be published for a wider readership and usability within all organizational levels.

4. CONCLUSION

The proposed model discussed is competitive-advantage oriented. It presents a continuous process of identifying the importance of organizational culture in sharing knowledge, tacit knowledge identification, collection and adaptation, converting tacit knowledge into explicit knowledge and how it is used for endless business needs assessment. A healthy and robust organizational culture that paves way for knowledge sharing may provide various benefits say, consistent and efficient employee performance, Team cohesiveness and high employee morale. Thus, organizational culture should not attempt to control tacit knowledge but rather take actions to create an environment where desirable results can be achieved. A key direction for future research will be to apply the model as discussed, and to evaluate its impact on addressing the development of organizational competitive advantage.

REFERENCES


