Tacit to explicit: an interplay shaping organization knowledge

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Abstract

Purpose – Aims to study the role tacit knowledge plays in shaping the knowledge base of the knowledge-intensive growing organizations using the storytelling method.

Design/methodology/approach – Stories were collected from eight human resource professionals working in eight different knowledge-intensive growing organizations in New Zealand. Interviews containing loosely structured questions were used for collecting stories. These stories were deconstructed on the knowledge grid. This grid attempted to depict a complex interplay of tacit knowledge with the important subsystems (referred to as threads) of organization.

Findings – Tacit knowledge seemed to be a major concern for the human resource professionals in knowledge-intensive growing organizations. It plays a significant role in shaping the knowledge base of an organization by interacting with the important subsystems of organization.

Research limitations/implications – There is a need to study ways of reducing the risk of being dependent on tacit knowledge of a few employees. Technology is needed that would be able to effectively capture the multidimensional interplay of tacit knowledge with important subsystems of organization.

Practical implications – Knowledge being a strategic input in knowledge-intensive growing organizations, there is a need to address major concerns related to tacit knowledge that these organizations specifically face due to their knowledge-intensive nature.

Originality/value – Tacit knowledge interacts with the important subsystems of an organization, thereby shaping its knowledge base. This paper attempts to demonstrate that tacit knowledge operates in multidimensional contexts.

Keywords Tacit knowledge, Explicit knowledge, Storytelling, New Zealand

Paper type Research paper

Introduction

Organizations are witnessing yet another revolution in their knowledge paradigm. As we move into hyper turbulent times where the pace of knowledge creation and destruction is very fast there is a need to redefine the role of knowledge management systems (KMS) in managing organization knowledge. There is an increasing realization that KMS has effectively captured explicit knowledge by making an effective use of information technology, however, a very significant portion of organization knowledge that is embedded in the organization processes and embodied in people eludes KMS. Given the present direction that technological developments are taking would we have any technology in future that would be able to reach the innermost recesses of human mind where tacit knowledge resides? There is a need to explore tacit knowledge as it is the source of inspiration for human actions in the workplace. It is a valuable source of competitive advantage for organizations as its elusive and invisible nature makes it difficult to imitate.

The inability of KMS to fully capture the tacit dimension of organization knowledge has led to an increased focus on informal social processes that help in making tacit knowledge explicit. Story telling is an important informal social process in which the tacit dimension of knowledge becomes easily visible. Tacit knowledge is embedded in narratives and finds
effective articulation in the stories that circulate in organizations. Deconstructing stories can give an insight into the embedded tacit knowledge in them:

Barbara Czarniawaska, commenting about the art of Maurits Cornelis Escher (1898-1972), pointed out that much of management and organization theory is focused above the water line seeing only the black swans, while we deconstructionists focus below the water line seeing the fish. The idea of deconstruction is to see both images, to do a double visioning . . . (Boje, 2001, p. 29).

Tacit knowledge which is like an iceberg with only 10 percent of it being above water the rest 90 percent hidden can be rightly understood against the concept of deconstruction which is sensitive to such elusive concepts like tacit knowledge.

Tacit knowledge interacts with the important subsystems (i.e. psychological, intellectual, knowledge, functional, social and cultural) of organization thereby shaping its knowledge base. This study attempted to gain an insight into this multidimensional interplay using the storytelling method. Loosely structured interviews that focused on four major themes related to tacit knowledge were used for drawing out stories from human resource (HR) professionals working in knowledge intensive growing organizations. These stories were deconstructed on the knowledge grid that consisted of both the epistemological as well as ontological aspects of knowledge. This grid attempts to depict a complex interplay of tacit knowledge with the important subsystems (referred to as threads) of an organization.

The work of Polyani (1996) has significantly influenced research on the tacit dimension of knowledge. According to him, rules or algorithms could not dictate true discovery. The experience of reality of the individual blends with the social influence to create knowledge. Tacit knowledge is the starting point of all knowledge. According to Takeuchi (1998) tacit knowledge is very subjective and defies formalization, making it difficult to communicate and share with others:

Subjective insights, intuitions and hunches fall into this category of knowledge. Furthermore, tacit knowledge is deeply rooted in an individual's actions and experiences as well as in the ideals, values or emotions he or she embraces (Takeuchi, 1998).

The tacit knowledge of an individual has relevance only when it can be effectively captured for the benefit of the organization. There is a need to mobilize existing informal peer to peer knowledge transfer mechanisms that already exist in workplace to facilitate the flow of knowledge (No Doubt Research, 2001). Swart and Pye (2002) propose a triple helix model of organization knowledge. The three key strands in this model are:

1. Representation which comprises of “pictures of action” similar to “complex social system” (Weick and Robert, 1993, p. 361).
2. Creative dialogue comprising of iterative process of active reflection (both collective and individual) and reshaping of representations held.
3. Collective practice as enactments of representations held.

According to them collective tacit knowledge is continually redescribed through creative dialogue and practice.

Socially embedded nature of organization knowledge has been the focus of study for many researchers. In a research project investigating the social aspects of knowledge sharing it was found that consulting others facilitates knowledge creation and utilization in diverse ways (Cross et al., 2001). Gherardi and Nicolini (2000) propose that tacit knowledge originates in social participation in a community of practice, which they refer to as tacit
knowledge in action. For this reason tacit knowledge is thought to exist only on a collective level: action is always social.

Many studies focus on the management of tacit knowledge for achieving competitive advantage in business. The strategic decisions configure firm’s knowledge strategy and thus influence its competitive advantage (Pablos, 2001). According to Chan and Mauborgne (1997):

Creating and sharing knowledge are intangible activities that can neither be supervised nor forced out of people. They happen only when people cooperate voluntarily (p. 71).

Excessive dependence on information technology has led to the mismanagement of tacit knowledge (Johannessen et al., 2000).

Some researchers are concerned with the obsession of knowledge management experts to make tacit dimension of knowledge explicit. It is more important to manage tacit knowledge rather than making it explicit (Tsoukas, 2002). Concerns are also voiced with regard to the need for order and coordination to emerge spontaneously in the management of tacit knowledge instead of being imposed artificially by the top management (Kreiner, 2002).

Storytelling has figured as an important catalyst and tool for design and communication (Erickson, 1995). In order to capture the potential of storytelling it is very important to have rich and powerful knowledge architecture to capture it (Reamy, 2002). Lloyd (2000) found that storytelling appeared to be a central mechanism in the development of a common language in design teams.

All these studies indicate that tacit knowledge plays a significant role in shaping the knowledge base of organizations. It is very important to understand the multidimensional context of tacit knowledge for the holistic management of organization knowledge.

This paper hypothesizes that tacit knowledge shapes the knowledge base of the organization by interacting with its important subsystems.

**Questionnaire development**

The interpretative research was taken as the context for developing the questionnaire as it was expected that the analysis of interpretations of organizational life elicited by conducting open-ended, unstructured in-depth interviews and by analyzing key communication texts and artifacts (stories, metaphors, symbols and documents) can lead to successful identification of issues confronting organization (Herndon and Kreps, 2001). According to Herndon and Kreps (2001):

The introspective data gathered by interpretative research can provide insight into organizational phenomenon and be used to direct organizational activities to better accomplish individual and organizational goals (p. 4).

On reviewing the literature on role of tacit knowledge it was found that there were four major themes that were visible in the issues relating to tacit knowledge in modern day organizations. These themes were:

1. **Overall tacit knowledge management**. Organizations need to take a holistic approach in managing tacit knowledge in their setups. Hewlett-Packard has started a number of knowledge management initiatives in recent years to create a purposeful process for capturing, storing, sharing and leveraging what employees know.

2. **Mobilization of organization tacit knowledge**. It is very important that the knowledge and experience that a person gains in an organization is used by groups and the organization as a whole. Buckman Labs, a biotech firm has reorganized itself to optimize knowledge sharing. A knowledge transfer department has been created to co-ordinate efforts.

3. **Role of tacit knowledge in problem solving, proactive and novel situations**. Tacit knowledge gets activated in these situations as a lot of creativity and innovation that are its important consequences may be needed for dealing with an unexpected situation. The
knowledge that an individual has gained over the years and internalized is used for dealing with these situations.

4. Tacit knowledge and decision making. There is a cognitive element in tacit knowledge that is difficult to articulate, however, it significantly affects the way the world is perceived (Nonaka and Takeuchi, 1998). At the time of recruiting a new employee, in addition to the standard norms the intuitive feel might influence the decision to select a candidate.

The questions focused on these themes. It was very important to provide a facilitating research context to encourage the telling of stories:

Certain kinds of open-ended questions are more likely than others to encourage narrativization (Riessman, 1993, p. 54).

Questions were made open-ended so that they could draw out stories from respondents. It was important to use probing questions in order to bring out the depth in the experiences of respondents related to tacit knowledge. Questions were framed in such a manner that they would open up topics and allow respondents to construct answers, in collaboration with listeners, in ways they find meaningful (Mishler, 1986).

The questionnaire is given in the Appendix.

The sample

The research study focused on HR professionals working in knowledge intensive growing organizations. The researcher felt that they can play a significant role in nurturing a culture at workplace where there is a high level of trust and openness. This is needed for the free flow of tacit knowledge in organization. Knowledge intensive growing organizations were chosen because of their greater dependence on tacit knowledge of employees. Due to their evolving status, the knowledge management initiatives are also in a process of developing. These organizations need a human resource management approach that recognizes their knowledge intensive nature and does not merely focus on a best fit or best practice strategy (Swart and Kinnie, 2001).

The sample consisted of eight human resource professionals from eight different knowledge based growing organizations.

Data collection

Human resource professionals were interviewed using loosely structured interview questions. The interview questions focused on four major themes related to tacit knowledge in organizations. In order to draw out the depth of experience there were some probing questions like: “can you explain this in greater details” or “can you give some specific examples”. Their stories relating to tacit knowledge were recorded in tape recorder.

There were 14 stories relating to different themes that could finally be elicited.

Storytelling method

Storytelling as a research tool has been used to study the elusive concept like tacit knowledge as it has the capacity to wrap up all the strands of human thought in a very creative manner. Ruggles (2002, p. 2) describes the importance of stories in knowledge management in this way:

Stories are great vehicles for wrapping together many elements of knowledge. A good story combines the explicit with tacit, the information with the emotion . . . Stories enable people to

“The experience of reality of the individual blends with the social influence to create knowledge.”
express and comprehend the sticky, context rich aspects of deep knowledge much more effectively…

In addition to the imaginative and creative component of stories they also have a scientific quality when used as a research tool in academic research. As Hirsch and Rao (2003, p. 137) put it:

The story is an empirical account of what goes on, of what went on. It's based upon data. It has to be justified by the facts and by the ability of different people to see the same facts – all of the standard criteria for scientific enquiry. What we make of that story, the theoretical spin we give to it, that's something which is changeable …

Corporate stories cannot match the richness of traditional folklore as they emerge from subjective experience. Modernity has dealt a finishing blow on subjective experience in favor of hard facts and information. The traditional know-how and lore accumulated through experience are supplanted by scientific knowledge (Benjamin, 1968, p. 83).

**Defining a story**

Boje (2001) attempts to deal with the fragmented and polyphonic nature of stories in organizations by combining narrative with antenarrative analysis options:

"Story is "ante" to narrative; it is "antenarrative". A "narrative" is something that is narrated, i.e. "story". Story is an account of incidents or events, but narrative comes after and adds "plot" and "coherence" to the story line. Story is therefore "ante" to story and narrative is post-story (Boje, 2001, p. 1).

As organizations become more and more complex, dynamic and technology driven, the stories that they spin out are also becoming more and more nebulous with crystallization occurring retrospectively. In line with recent times, in this study: story has been defined as written and spoken experiences of employees in the social, psychological and cultural context in which organization operates. These descriptions are in a continuous process of being and becoming. They are narratives in the state of being and antenarratives in the state of becoming.

**Analyzing stories**

This research paper argues that deconstruction, originally introduced by Jacques Derrida can provide a mental framework to understand the invisible strands of human thought in a narrative:

"Deconstruction as a strategy, not a method, traces the micro-power of textual process, exposing centralizing and unraveling aspects, making less visible aspects more apparent (Boje, 2001, p. 20)."

The movement of knowledge also follows a similar kind of pattern. This makes deconstruction an appropriate ideology to use for studying the process of knowledge creation as knowledge is also in a continuous state of evolution. There is a continuous movement of knowledge from the explicit end of the continuum to the tacit end and vice-versa. A similar kind of pattern is visible in the movement of knowledge from individual to the group and the organization level. Tacit knowledge is the micro power of an individual's intellect.

**The knowledge grid**

A grid was created by the researcher for the purpose of deconstructing stories. This grid combines the ontological with the epistemological aspect of tacit knowledge. The column headings in the grid consisted of different levels at which tacit knowledge operates in an organization. These levels have been termed as threads as they evolve out of a complex weaving of multiple strands of organizational processes. The row headings consisted of four major themes related to tacit knowledge (described in questionnaire development). This framework represents the multidimensionality of contexts in which tacit knowledge operates. Tacit knowledge operates on:
Psychological thread. The psychological thread in an organization is the sum total of all experiences which an individual goes through in workplace. “Different individuals experience organizations in different ways depending on their psychological development” (Gabriel, 1999, p. 78).

Intellectual thread. It consists of all the intellectual tools used for processing information at individual level. These include skills or crafts which are very hard to pin down as well as highly subjective and personal insights, intuitions, hunches and inspirations derived from bodily experience, beliefs, perceptions, ideals, values, emotions and mental models. Master craftsmen or three-star chefs develop a wealth of expertise at their fingertips, as a result of experience. However, many times they have difficulty in articulating the technical or scientific principles behind what they know (Takeuchi, 1998).

Knowledge thread. The knowledge thread is sum total of all the knowledge which an organization possesses. It consists of both the ontological and epistemological aspects of knowledge. The awareness of tacit knowledge can be created with the help of creating learning histories (Lubit, 2001).

Functional thread. The functional thread is the way all the functions in an organization are carried out. Lam (2000) combines the action orientated and mediated notions of tacit knowledge, arguing that personal tacit knowledge can be regarded as embodied knowledge whereas shared/mediated tacit knowledge is embedded knowledge. Oticon, Denmark has created a “spaghetti organization” where the knowledge workers have no fixed job descriptions but work entirely on project basis. This makes the learning experience of workers more holistic (Sveiby, 2001).

Social thread. The social thread consists of all social processes and social groupings in an organization. A number of studies have focused on the social aspect of tacit knowledge. Pleasants (1996, p. 249) sees tacit knowledge as an artifact of social action or practical consciousness. This view finds support in Collin’s (2001) study which states that continuous social interaction (towards) routine makes the less obvious more obvious. According to Collins (2001), tacit knowledge remains tacit within a certain community. For example, in a community of scientists the tricks of the trade are exchanged which lead to enhanced awareness of the practice but tacit knowledge in action never gets reflected in formulae or journal articles (Collins, 2001, p. 72).

Cultural thread. The cultural thread consists of overall culture of an organization. The depth of influence that tacit knowledge has in shaping the knowledge base of an organization and the way it is formed and used is determined by the broader institutional context (Boisot, 1995a, b; Lam, 2000). Hewlett Packard is famous for its overall collaborative culture that encourages knowledge sharing and risk taking at all levels (Sveiby, 2001).

The knowledge grid, as shown in Table I, depicts the interplay of tacit knowledge with different threads in an organization. The stories have been organized around major themes and deconstructed on different threads in the grid.

Data analysis
Stories have been organized around four major themes. An attempt has been made to explore the way different threads interact with tacit knowledge to shape the knowledge base of an organization.

Theme 1: overall tacit knowledge management
Knowledge is not only a key factor for an organization to remain in business but also poses a major risk as small businesses are dependent on a few employees and their business is solely dependent on knowledge of these employees working there. The following stories depict the concern of HR professionals regarding the exit of intellectual capital due to resignation and the lack of mechanisms to capture the lost tacit knowledge.
<table>
<thead>
<tr>
<th>Theme</th>
<th>Story title</th>
<th>Sub-theme</th>
<th>Psychological thread</th>
<th>Intellectual thread</th>
<th>Knowledge thread</th>
<th>Functional thread</th>
<th>Social thread</th>
<th>Cultural thread</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall tacit knowledge management</td>
<td>1. Walking encyclopedia</td>
<td>Loss of intellectual capital</td>
<td>Organizational narcissism, Marginalizing of employees, Intellectual narcissism</td>
<td>Intellectual property walks out of the door</td>
<td>Gaping hole in the knowledge thread</td>
<td>Need to work double speed to gain lost knowledge</td>
<td>Need to respect employee knowledge</td>
<td>Need for a facilitating culture for capturing employee knowledge</td>
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<td>Mobilization of tacit knowledge</td>
<td>4. Ignoring employee expertise</td>
<td>Inappropriate capturing of knowledge</td>
<td>Denial of business failure, Able to fulfill the dream of 50th Jubilee</td>
<td>Creating a synergy of outsider intellect and inside intellect</td>
<td>Utilization of the knowledge resource</td>
<td>Getting rid of problematic issue and creating procedures</td>
<td>Creating a positive synergy between insiders and outsiders</td>
<td>Democratizing the expertise-sharing mechanism</td>
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<td>Tacit knowledge and problem solving</td>
<td>6. Using team expertise</td>
<td>Mobilizing team tacit knowledge</td>
<td>Impact of a well knit team on successful solution of the problem</td>
<td>Intellect finding complete expression</td>
<td>Creating a positive intellectual synergy</td>
<td>Outrage in the internet protocol resolved</td>
<td>Synergizing team spirit</td>
<td>A culture which has developed a symbiotic relationship with group synergy</td>
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<td>Tacit knowledge and proactive actions</td>
<td>7. The fate of proactive team</td>
<td>Empowerment and free flow of tacit knowledge</td>
<td>Reflecting on the painful experience come out of being proactive</td>
<td>Blocking the complete expression of intellect</td>
<td>Preferential treatment for the knowledge of few individuals</td>
<td>Blocking the motivated group of potential problem solvers</td>
<td>Hegemony of the management and victimization of independent employees</td>
<td>An autocratic management</td>
</tr>
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<td>Tacit knowledge and decision making</td>
<td>8. The interview 9. The restructuring attempt 10. The management meeting</td>
<td>Listening to the unsaid part of conversation</td>
<td>Understanding what was not being said (introspective)</td>
<td>Activating the intuitive part of the intellect</td>
<td>Using this skill to further enhance the knowledge pool of the organization</td>
<td>Bringing into focus the significance of non-verbal cues for performing</td>
<td>Being sensitive to others</td>
<td>Increased sensitivity to hidden organizational processes</td>
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<td></td>
<td>11. Going against the grain</td>
<td>Listening to oneself</td>
<td>Knowing how things would happen (meditative)</td>
<td>The organization knowledge getting the strategic input</td>
<td>Giving a strategic input of looking at things</td>
<td>Individual asserting over the group for taking strategic decisions</td>
<td>A culture that facilitates the utilization of individual tacit knowledge for achieving strategic advantage</td>
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<td>12. You do not know why you know but you know ...</td>
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<td></td>
<td>13. Picking up bad customer</td>
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<td>14. Picking up the right employee</td>
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The walking encyclopedia.

We have a classic example of one person who very recently was made redundant from the company. My concern is that this particular person is a walking encyclopedia where the knowledge that he has gained over the years has not been translated into anything tangible. This person was made redundant and he has left a gaping hole in that section of the business. Even though I’m new on board, one of the things I want to do is help our managers understand that if this knowledge isn’t captured along the way, then we’re actually essentially letting a lot of intellectual property walk out that door and we’re not going to get it back. What we will do is work double speed to try and make up for the kind of knowledge that’s worked out. How do we translate what’s in one person’s knowledge base, into paper format, into soft copy, who cares, how do we make that tangible . . .

The interplay of tacit knowledge with psychological thread has to be analyzed against the backdrop of deeper psychological significance attached to the concept of work. Schwartz (1990) explains the devaluation of work in the workplace as:

Work gets embedded in the super-ego, not because it is a moral imperative, but because the organizations have succeeded in making individuals feel chronically guilty, by lavishing resources on new recruits, training them and indoctrinating them. The discontents that such organizations generate (stress, anxiety, chronic overload) lead to greater urgency to work hard, as employees see these experiences as their own personal failings and try to compensate by working harder (cited in Gabriel, 1999, p. 109).

There has been a blatant display of the organizational narcissism in the above story where the precious knowledge of the walking encyclopedia has not been valued having been acquired after years of hard work.

Sometimes monopolizing of expertise can have deep psychological consequences. The story of two absconders highlights the case of the intellectual narcissism.

The two absconders.

There is a case in Australia recently where in one council two women became the experts on how to handle public consultation using the software and they decided that their knowledge was now so valuable . . . They left that organization and went into business on their own. That council then stopped using the software for that purpose. It went back to the dark ages instantly . . .

Individual needs of the two experts gained prominence over organizational needs. The narrator who is a software developer as well as a consultant was deeply concerned as these kinds of incidents seriously hamper the usage of this software where only few people have been trained for using it. The ultimate effect has been on the software business.

This person always takes care to introduce only software that has a competitor so that there is enough awareness about the software as well as enough trained people in that software. But it will still take some time for this software to build that kind of knowledge base as well as wide usage that Windows or other more popular Microsoft software enjoy.

The dependence of knowledge intensive and technology-based industry on tacit knowledge of a few individuals makes it very vulnerable as it can be seriously harmed by the whims and fancies of human nature. At any stage it can be killed if these few people go off the scene.

The following story shows the widespread consequences of a large number of redundancies in an organization as a result of a merger.

The merger story.

This organization was formed in December 2001 when two telecommunications companies were merged and during the process 550 staff were made redundant and they had quite an interesting effect on the business. We are still dealing with the effects of these redundancies . . . When we downsized the business a lot of knowledge which we had built over a number of years about the intricacies of our networks which were complex and the level of management which had experience and expertise . . . those people went. None of that knowledge was captured and the business is still working out to complete its end-to-end process and is doing a lot of work to get those processes in place. The problem we are facing is capturing that knowledge was important and during that merger that knowledge was not captured and two and half years later the business is still struggling to get that knowledge in place . . .

The walking encyclopedia.
The merger story shows how the loss of tacit knowledge led to a significant setback to the knowledge and functional thread of organization. It has forced business to start from scratch.

There are widespread consequences for the social thread in the merger story. Such kinds of incidents represent the dehumanization of workplaces where organizations are on the path of self-aggrandizement assuming an overarching omnipotence. It also represents the marginalization of individual employees. It is very important to strike a right balance between these two important actors of the organizational drama.

These stories raise a lot of issues related to such kinds of losses. If this kind of loss led to such a gaping hole in the intellectual and knowledge thread of organizations why has it been allowed to happen? A lot of introspection is needed by the board and they need to look deep into the causes of such happenings as these incidents might be a warning signal that something is wrong with the cultural thread of the organization fabric which allows itself to be dependent on the expertise of so few individuals for a large amount of knowledge. Instead of spreading its risk it is increasing the risk of creating more such gaping holes in its knowledge thread.

**Theme 2: mobilization of tacit knowledge**

Acquisition and dissemination of tacit knowledge can be a painful process as one has to accept the harsh truths. The following story depicts the consequences of denial of failure by the owner of the business.

**Overlooking employee expertise.**

I recall one company I went into where within the space of half a day I had found out why the business had gone into receivership by making enquiries of the staff about various aspects of the business. Not only did the managing director deny that this was the case, he still denies it and yet by dealing with the issues that cropped up, I traded that business out of receivership and it went onwards. It made spectacular profits because I got rid of the issues that the managing director, even today, refused to accept. It’s a case of denial and in business failure you often come across that. It was also a case where somehow the knowledge of the people lower down wasn’t reaching him, because there weren’t formalized processes. He hadn’t established formalized processes for capturing that knowledge …

This story describes how the overlooking of tacit knowledge of employees at the floor level was leading to the sapping of vital energy of this organization. The intellectual thread was deprived of positive reinforcement as there was no recognition to it. The knowledge thread had suffered a considerable loss too.

At the level of functional thread, it was very important to realize that tacit knowledge flourishes in the gaps between the procedures and the way work actually gets done. The narrator highlights the importance of establishing the formalized procedures for capturing tacit knowledge of employees in an organization.

This story highlights the need of top management to be deeply aware of the value of tacit knowledge of employees working in their organization. The process of mobilization of tacit knowledge is socially inspired. Individuals create knowledge, organizations cannot create knowledge. Creative individuals need to be supported by organizations by providing a facilitating context for them to create knowledge. The knowledge created by the individuals gets amplified at the organizational level and crystallizes as part of the knowledge network in the process of organization knowledge creation (Nonaka and Takeuchi, 1995).
Theme 3: the role of tacit knowledge in problem solving, novel and proactive situations

Tacit knowledge becomes more visible in novel situations and when there is a problem to deal with as during these situations unknown reserves of intellect need to be called into service. The following story depicts the positive synergies developed by a team to solve a serious technical problem.

Story: using team expertise.

Two weeks ago we had an outrage in our internet network protocol which had the potential to affect major customers such as Westpac Bank, ministry of social development and all the major businesses which have large call centers. A large number of customers were calling them and if the outrage had affected them it would have been expensive for us . . . but that team came together and was able to quickly identify the problem and run backup systems . . . it was purely that team’s knowledge and experience which enabled us to resolve that situation quickly . . .

There was a perfect identification of team members with the bigger ego-ideal of the team in this story. The building of positive team synergy had increased the pace of evolution for the intellectual and knowledge thread.

The social and cultural threads in this organization have facilitated an effective mobilization of team tacit knowledge. This has strengthened the functional thread. The functional thread of this organization shares the similarity with that of J-form organizations where the key knowledge agents are neither autonomous individual experts, nor the controlling managerial hierarchy, but the semi-autonomous project teams (Lam, 2000).

The story shows the fruitfulness of building a high level of trust and confidence in the social thread in organizations. The social setup of a team can act as a fertile ground for tacit knowledge to flourish.

The need to sublimate one’s libidinal energies must be the motivating factor in being proactive and confronting novel situations and solving problems. The following incident reveals how a team became proactive in order to meet new challenges and the way management reacted to this kind of proactive step.

The fate of the proactive team.

. . . there was an organization where there was a case of needing to look at an alternative business opportunity . . . We decided that we would be proactive in that field. We sat down as a team and we did a brainstorm and worked out who and how and what. As a result of that, we actually put forward a proposal to management presenting the idea for new business, this is what we think, this is how we propose to go ahead and do that. It was a very successful way to approach business . . . the company . . . didn’t like the fact that this was an initiative shown by a team to cultivate new business because they believed that the people that should do it were three select people. What they did was to disenfranchise a whole section. It wasn’t just us, it was a whole section of their possible potential problem solvers, because the message that was sent out to the wider team was, if you show initiative on something that should just be left for persons x, y and z, you’re going to get rapped over the knuckles. What does that do? That stops you as a team member from sharing information . . .

This story shows how a team was victimized for being proactive in an organization. It brings out the disillusionment of the narrator whose team was hampered in a very creative act that they were courageous enough to undertake.

An optimum utilization of tacit knowledge is not only the need of the organization to grow and flourish in business but also the need of the individual to fulfill the highest need of self-actualization. A free flow of tacit knowledge always contributes to an increased sense of well-being as it unfolds a small portion of creativity in an individual. The unleashing of tacit knowledge can provide that missing link between the integration of the individual well-being with the organizational well-being and lead to a much needed nourishment of psychological, intellectual and knowledge thread. There is a need to democratize the cultural thread in this organization in order to avoid such incidents.
Theme 4: tacit knowledge and decision making

There are so many ambiguities in today’s business environment because of so many reasons that it is very crucial to understand the non-verbal cues in the workplace. The tacit dimension of individual knowledge plays a very important role in developing this sensitivity.

Story: the interview.

I think my introduction to this particular company was a classic example . . . during the first interview process. The person who was interviewing me was talking about the organization and just giving me a brief understanding of what they do and how they do things. It was interesting to note what wasn’t being said. It was those clues that were intuitive for me . . . to ask the kind of questions that I suppose, eventually got me the job. I did understand what wasn’t being said and it was actually interpreting that in the correct manner . . .

A major part of strategic decision making is based on hard facts and figures. However, it is incomplete without using the gut feel. The source of that gut feel is a database that stores long forgotten information and learning which gets naturally activated whenever any decision has to be taken.

The ability to perceive invisible processes in an organization strengthens intellectual and knowledge threads. In order to encourage a free flow of communication, social and cultural threads need to nurture sensitivity to invisible cues.

Knowledge emerges naturally in the organizational context. The experiences and judgments of employee, their commitment, their ideals, and their way of life are an important source of new knowledge. Instead of controlling them a lot of latitude has to be given to employees (Takeuchi, 1998).

Conclusions

The tacit dimension of organization knowledge seemed to be a major concern for knowledge intensive growing organizations in New Zealand. The stories could successfully reflect the kaleidoscopic interplay of tacit knowledge with six important subsystems (psychological, intellectual, knowledge, functional, social and cultural) of organization thereby shaping its knowledge base. There were some common sub-themes that were visible in these stories.

Management of tacit knowledge can be seriously hampered by narcissism and self-aggrandizement that are deeply rooted in individuals and institutions they build. The loss of bright intellect due to its marginalization by organizational narcissism has been depicted in stories like “The walking encyclopedia” and “Merger”. As opposed to this intellectual narcissism of “Two absconders” marginalized the knowledge needs of the whole organization.

The attitude of top management plays a key role in the mobilizing of tacit knowledge. There are some stories like “Overlooking employee expertise” which depict the serious consequences of neglect of employee expertise. Stories like “The fate of the proactive team” depict the parochial approach of top management which blocked a whole team of potential problem solvers. On the other hand, the positive approach of top management in “Using team expertise” could bail the organization out of serious consequences of technical breakdown in its services.

Sensitivity to invisible processes and listening to oneself can lead to multidimensional enrichment of an organization. Stories like “The interview” talk of valuable insights of employees relating to invisible aspects of organizational processes. The influence of intuitive knowing on decision making can accelerate strategic business processes as it happened in “Going against the grain”. A right kind of balance has to be struck between adherence to
rules and regulations and a need to deviate from them as technology driven changes in the market are much faster than changes in the systems and procedures within an organization. Tacit knowledge of employees flourishes in gaps between systems and procedures of organization and the way work actually gets done. The need to be tolerant to positive deviations of employees from systems and procedures is very important to bring out their rich tacit knowledge.

Although there is a need to preserve and nurture intellectual assets in knowledge intensive and technology-based growing organizations, it is very important that organizations do not become dependent on few individuals for their knowledge base. The newborn knowledge-based organizations cannot avoid this dependency. However, they can strive to reduce this risk of dependency. As rightly pointed out by one of the respondents, there is a need to have a right combination of rainmakers and rain catchers in organizations so that not only is there a process of knowledge creation in place but there is also a process of nurturing of this knowledge to optimize the benefits of unleashed tacit knowledge.

Limitations of research

There is a possibility that the tacit to explicit interplay of knowledge shaping the organization knowledge base may differ across national cultures as culture of a nation strongly influences the values, attitudes and opinions possessed by its people. Due to the privacy legislation New Zealand managers are very reticent about providing information externally, so internally the same attitude could prevail. Culturally New Zealanders are known to be less verbal and emotional which can influence the flow of knowledge in the tacit to explicit spiral.

Implications for future research

Knowledge being a strategic input in knowledge intensive growing organizations, there is a need to address major concerns related to tacit knowledge that these organizations specifically face due to their knowledge intensive nature. This presents tremendous research possibilities in future. Some major concerns of these organizations that need to be addressed are:

- There is a need to study ways of reducing the risk of being dependent on tacit knowledge of few employees. It is important to build a knowledge reservoir that would be able to capture tacit knowledge of all employees for the future use of organizations. We need technology that would be able to effectively capture the multidimensional context of tacit knowledge.
- There is also a need to find out ways of activating the dormant tacit knowledge of employees for the benefit of the organization.
- The interaction of tacit knowledge with important subsystems in an organization thereby shaping its knowledge base can be further studied using other research methods.

References


Herndon, S.L. and Kreps, G.L. (2001), Qualitative Research Applications in Organizational Life, Hampton Press, Cresskill, NJ.


Appendix. Questionnaire

Q1. “Whenever I hear a voice on the telephone I am able to recognize who is calling from the other side. I can recognize the person by the voice but I am not aware how it happens.” Can you relate some incidents in your professional career when you had a similar experience? For example, have you ever recruited a new employee who was not fulfilling all the requirements of the post, however, you felt from inside that this person would do very well in your organization and did well?

Q2. Can you relate some incidents when you or your team suddenly became proactive and things clicked?

Q3. Can you relate some incidents when your experiences or experiences of your team were used by the organization for solving a sticky problem or achieving competitive advantage over your competitors?

Q4. Can you relate some incidents when your team could solve a sticky problem as a result of diversity of expertise existing in it?

Q5. Can you relate some incidents when you realized that people of your team are hesitating to share their expertise and you also felt that you will lose power as a result of sharing your expertise with them? What was the insight gained from this experience?

Q6. Can you relate some stories when the effective management of tacit knowledge led to the achievement of competitive advantage in your organization?

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