

Tacit Knowledge – A Managerial Skill To Manage Global Competitiveness

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ABSTRACT

What makes an effective manager? Unfortunately, there is no definitive answer to the question. The answer seems to be evolving throughout history, and varies according to organizational context, level of manager, and management theory in use. Yet it is vitally important to understand the characteristics of effective managers, as the success of organizations depends on finding them. Before any assessment, selection, or development can occur, the organization must understand the kinds of characteristics that predict performance in their managers. Without a through understanding what is being assessed, selection and development programs are like a house being built on a cracked foundation: no matter how strong the house is, it will ultimately fall apart. We must realize that the understanding the context of the organization is extremely vital to determining the characteristics of a successful manager, and thus consider every angle when defining their characteristics. The literature surrounding the topic of characteristics of effective managers is prolific. This paper will briefly analyze the in-built characteristics of managers – tacit knowledge and its role that aids them to tackle and manage the global competitiveness.

Key words: effective manager, assessment, predict performance and successful manager

INTRODUCTION:

In an increasingly complex business environment, the capacity to acquire and use new knowledge as excellently as possible is the only key to international competitiveness, productivity and growth. Managerial excellence lay in the ability to face opportunity and

crisis and develop a sustainable competitive advantage. It is a commitment by management to a philosophy of excellence. It is about making every area of the management better and running the entire organisation excellently. The whole idea is to find better ways to team up, share, take responsibility, listen, value other opinions, and develop solutions that work for the greatest benefit-usually starting with benefits to external customers. Integration of (tacit) knowledge with managerial excellence leads any organization to face global competition. It also explains the ways to integrate parameters of performance into corporate culture. In order to achieve global competitiveness, the present day managers should explore the vast untapped sources of creative ideas at the individual as well as collective level hidden in tacit knowledge and provides strategies for developing a broad framework of enabling factors at the individual and organizational levels for institutionalizing innovation.

TACIT KNOWLEDGE

Knowledge is categorized into two: explicit knowledge and implicit (tacit) knowledge. Tacit knowledge is knowledge that is difficult to transfer to another person by means of writing it down or verbalising it. In the field of knowledge management, the concept of tacit knowledge refers to knowledge which is only known by an individual and that is difficult to communicate to the rest of an organization. An example of tacit knowledge is the ability to ride a bicycle, where the formal knowledge is, that to balance, if the bike falls to the left, one steers to the left; and to turn right, the rider first steers to the left, and then when the bike falls, steer to the right; but knowing this formally is no help in riding a bicycle, and few riders are in fact aware of this. Tacit knowledge is not easily shared. It consists often of habits and culture that we do not recognize in us. Knowledge that is easy to communicate is called explicit knowledge. The process of transforming tacit knowledge into explicit knowledge is known as codification or articulation. The tacit aspects of knowledge are those that cannot be codified, but can only be transmitted via training or gained through personal experience. Tacit knowledge has been described as “know-how” -- as opposed to “know-what” (facts), “know-why” (science), or “know-who” (networking). It involves learning and skill but not in a way that can be written down. For managers, Tacit knowledge shall be in-built or can be made to be in-built in order to meet global competitiveness.

TACIT KNOWLEDGE MANAGEMENT

Tacit **Knowledge Management (KM)** comprises a range of strategies and practices used in an

organization to identify, create, represent, distribute, and enable adoption of insights and experiences. Such insights and experiences comprise knowledge, either embodied in individuals or embedded in organizational processes or practice. Many large companies and non-profit organizations have resources dedicated to internal Tacit KM efforts, often as a part of their 'business strategy', 'information technology', or 'human resource management' departments. Several consulting companies also exist that provide strategy and advice regarding KM to these organizations.

Tacit Knowledge Management efforts typically focus on organizational objectives such as improved performance, competitive advantage, innovation, the sharing of lessons learned, integration and continuous improvement of the organization. KM efforts overlap with organizational learning, and may be distinguished from that by a greater focus on the management of knowledge as a strategic asset and a focus on encouraging the sharing of knowledge. Tacit KM efforts can help individuals and groups of managers to share valuable organizational insights, to reduce redundant work, to avoid reinventing the wheel per se, to reduce training time for new employees, to retain intellectual capital as employees turnover in an organization, and to adapt to changing environments and markets.

Tacit knowledge, or implicit knowledge, as opposed to explicit knowledge, is far less tangible and is deeply embedded into an organization's operating practices. It is often called 'organizational culture'. "Tacit knowledge includes relationships, norms, values, and standard operating procedures. Because tacit knowledge is much harder to detail, copy, and distribute, it can be a sustainable source of competitive advantage... What increasingly differentiates success and failure is how well the managers locate, leverage, and blend available explicit knowledge with internally generated tacit knowledge. Inaccessible from explicit expositions, tacit knowledge is protected from competitors unless key individuals are hired away.

MEASUREMENT OF TACIT KNOWLEDGE

There are several reasons why understanding more about tacit knowledge is interesting and important. First, competition is increasing so much that managers, salesmen, and firms must use their total talent to succeed. Total talent is the combination of managers aptitude, ability,

explicit knowledge, and tacit knowledge. Companies use skill and aptitude tests, universities give examinations and require theses, but how do one measure and share tacit knowledge? The present managers should measure tacit knowledge. A second reason why companies should identify and measure tacit knowledge is because it may be a much better indicator of career potential than many of the current psychological assessment tools. Most of these tests are designed to measure personality, intellectual capability, behaviours, or personal values. They are not designed to identify nor measure tacit knowledge. The organization and managers need a customized tool. A third reason to measure tacit knowledge is that the organisation will be more confident in its firm's recruits from other industries and foreign managers and salespeople. The company can deploy their cross-industry and cross-cultural teams with less worry if it is certain that its managers, engineers, and salespeople are able to share their tacit knowledge about succeeding in their local units. Moving a top performer from Stockholm to Barcelona may not produce the desired benefits if tacit knowledge acquired in Sweden has little value in Spain. Traditional psychological tests are less helpful for this task since they are more likely to produce biased results in a multicultural workforce because of differences in cultural values and language. The managers' tacit knowledge will be evaluated in an unbiased way. Fourth, tacit knowledge is inherently based on how to get things done. As the senior levels of management in companies approach retirement age and firms increasingly turn to importing foreign talent. There is an urgent need to find and capture the knowledge of best performers before they leave the company. The company needs to identify and keep those managers as best competitive advantages.

MECHANISMS FOR MANAGING TACIT KNOWLEDGE

Managing tacit knowledge is a significant challenge in the business world – and it requires more than mere awareness of barriers. During the new idea generation – divergent thinking – phase, managers create a wealth of possible solutions to a problem. "Chaos succeeds in creating newness because it takes place in a system that is non-linear". In a well-managed development process, where a group of diverse individuals addresses a common challenge, varying perspectives foster creative abrasion, intellectual conflict between diverse viewpoints producing energy that is channeled into new ideas. Mechanisms by which collective tacit knowledge is created and tapped include:

Brainstorming – gathering together a set of experts with diverse skills, preferably including client representatives. Main rules to be followed during the idea generation phase: defer judgments; build on the ideas of others; one conversation at one time; stay focused on the topic; and think

out side the box - encourage wild ideas. All ideas should be recorded and discussed during the

selection – convergent thinking – phase. In large organizations that are conceived as a collective of communities, separate community perspectives can be amplified by interchanges in order to increase divergent thinking. "Out of this friction of competing ideas can come the sort of improvisational sparks necessary for igniting organizational innovation". Managers and innovation team leaders can use tacit knowledge to aid convergent thinking by creating guiding visions and concepts for teams involved in innovation.

MANAGERS MANAGING KNOWLEDGE WORKERS TO MEET GLOBAL COMPETITIVENESS

To manage knowledge workers effectively in the modern knowledge-driven enterprise, modern

manager should balance management with leadership and coaching. An individual effectiveness of knowledge workers is based on results and credibility, perceived reputation, and network of

relationships rather than formal authority, job description, or position in the hierarchy. The managers should find out the following traits while identifying the knowledge workers, who join hands with the managers to meet global competitiveness. They are:

- ❖ primarily identify themselves with their profession rather than workplace; more sensitive to the kudos and esteem they receive from their peers than those they receive from management
- ❖ highly mobile and quick to change jobs
- ❖ driven primarily by the pride of accomplishment
- ❖ have strong believes and personalities; they respond much better to being pulled than being pushed

- ❖ Informal networking with peers, inside and outside their own company, helps them benchmark their personal efforts and their company's competitiveness.

TACIT KNOWLEDGE TRANSFER

The solutions for managing the transfer of tacit knowledge are still emerging. Linde calls for evaluating lessons learned and reflection as a way of progressing. However, if tacit transfer is reliant on the interactive encounters of people who make up organizations, then the leaders and managers are central to creating an effective KM strategy and conveying that insight in responsible ways. One thing is certain, while the changes researchers are calling for will result in new and different organizational structures and cultures, it begins with leaders and managers and how they choose to approach virtual tacit knowledge transfer.

BARRIERS TO TACIT KM TRANSFER

The barriers and obstacles to tacit transfer exist across organizational levels. A bottom-up analysis reveals that individuals become barriers to transfer when they hoard knowledge and resist collaboration. At the management trainer level barriers may take the form of unidentified tacit assets, failure to accommodate global need, resistance to change, or misconceptions about ICT benefit or use. Top level leadership may deemphasize transfer to maintain competitive advantage, or fail to understand the changing role of management in virtual transfer environments. Regardless of level, these barriers relay an underlying current for change. The value of organizations place on knowledge shapes the culture that either facilitates or hinders transfer. Although this cultural issue is complex, many researchers believe that traditional top down approaches and value placements are outdated and need to change to reflect bottom up approaches that promote tacit transfer.

CONCLUSION:

In today's world, competitive advantage originates more from knowledge than from the traditional sources of labour and capital. Knowledge has become the leveraging factor in making growth more robust, be it at the micro level or macro. And when knowledge is created, the information base becomes naturally widened and thereby its complexity increases almost exponentially. It is in this context that 'tacit knowledge' comes to play a pivotal role

for managers in facilitating the process of organizational growth so as to meet global competition. Effective KM aimed at maintaining a constant and open flow of information among the managers inside and outside the organization, will hold the key as it can ensure right contact between the right seeker, producer and user of knowledge at right time. In other words, Tacit KM' has become a critical success factor for individual managers as well as organizations to stay competitive in the present day context of 'knowledge-based economy'.

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