ABSTRACT

This article studies the way tacit knowledge is dealt with in a high turnover business environment through a qualitative research approach in an engineering organization with respect to organizational culture and values and the effect in competitive stance. The study found peer review process and managerial/supervisory style to be effective in enabling new employees in a short time with knowledge critical for them to do a successful job, core values, and open-door policy to be necessary factors in forming a fertile environment for a quick tacit knowledge harvesting. The study also showed that a good competitive stance and customer satisfaction can be achieved and maintained through implementation of a rigorous peer review process. The study revealed noneffective utilization of knowledge management (KM) technical resources. The study directs future research towards evaluating possible objectives for utilization of KM technological resources, timeline for effective codification of tacit knowledge, and responsibilities for handling resources.

INTRODUCTION

Knowledge transfer in an organization occurs when members of the organization pass tacit and explicit knowledge to each other. Information technology assists knowledge transfer by providing knowledge means for capturing, storing, and retrieving. Knowledge that is primarily in the tacit dimension requires that more context be captured with the knowledge in which context is the information used to explain what the knowledge means and how it is used. That is why this study focuses on how tacit knowledge can be transferred into
explicit in order to make it retrievable and helpful for organization members to achieve a better organizational competitive advantage.

The speed of making tacit knowledge tangible is an issue in a high employee turnover environment. This is important especially when the process of engaging new engineers and project managers in designing projects is faster and the time for training new employees is limited. While it takes the organization time and effort to enable new employees with tacit knowledge necessary for them to do a successful job, knowledgeable employees emigrate to other organizations seeking better employment opportunities. This situation attracts future research focus. The implementation of learning-based systems development is a challenge for organizations as the basic training and education offered by them and the particular experiences of the individuals on their own and other factors such as fear and ignorance prevent such actions (Selamat & Choudrie, 2007). It is important for the development of people that we create a suitable organizational culture and infrastructure such that knowledge sharing is promoted. Literature reveals examples of effective learning communities and illuminates that even within one single company there is no one-size-fits-all solution (Kohlbacher & Mukai, 2007).

All are considered good justifications for this study to explore how tacit knowledge can be handled in a high employee turnover engineering organization, what are the cultural values that can help the organization to achieve the mission of tacit knowledge management (KM), and what is the effect tacit knowledge may influence on the organization competitive stance.

Literature on knowledge, KM, KM success/failure factors, KM success models, organizational learning, learning culture, and competitive advantage are first reviewed. The background of the case study and research methodology are then presented. Afterward, the success and failure of the engineering organization are discussed in light of the findings. Finally, conclusions and future research directions are drawn.

**KNOWLEDGE/KM**

Organizational knowledge usually resides embedded in various types of forms including records, documents, procedures, processes, databases, routines, and practices. Davenport and Prusak (1998, p. 5) define knowledge as “a fluid mix of framed experience, values, contextual information, and expert insight that provides a framework for evaluating and incorporating new experiences and information. It originates and is applied in the minds of knower.” Several other definitions of knowledge were given by Nonaka and Takeuchi (1995), Alavi and Leidner (1999), Lai and Chu (2000), Murray (1996), Polanyi (1966), and Sveiby (1997). Since 1990, organizations realized that knowledge could be about diverse organizational aspects such as products, processes, customers, employees, partners, competitors, and good and bad experiences. Many organizations started since then to pay attention to manage this knowledge until it became a hot topic nowadays as many business communities trying to properly understand and implement it (Jennex, 2007).

In order to make the best use of knowledge, many initiatives emerged and evolved in the past seventeen years forming what has been known as KM. Nevertheless, still experts are debating and bearing different opinions on KM (Corral, Griffin, & Jennex, 2005). Jennex (2005, p. iv) gave one of the most recent definitions of KM when they state:

*KM is the practice of selectively applying knowledge from previous experiences of decision making to current and future decision-making activities with the express purpose of improving the organization’s effectiveness.*
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