Chapter VI

Knowledge Flows

Tacit knowledge is automatic, resembles intuition, and is oral (Stewart, 1997 in Smith, 2000) ... Tacit knowledge cannot be shared electronically ... Electronic networks and the steadily increasing pace of business drastically reduce the time people can spend discussing and challenging each other’s knowledge and overall expertise .... Managers and team leaders must begin to make better use of key knowledge-building activities to guide, control, and inspire their workforces by encouraging more face-to-face transfer of tacit knowledge (Smith, 2000).

Introduction

Recalling from previous discussions, this book is not concerned solely with discussing knowledge management or testing for tacit knowledge. The former topic is well handled through a great deal of literature dating from the 1990s to the present day. The latter subject as we saw in the previous chapter tends to take place at the level of the individual and although a variety of techniques exist, the one by Sternberg’s group is arguably the most practical. It is the flow of (tacit) knowledge in an organisation that should also be considered for the richness it provides both at the level of the staff member and holistically at the company-wide level. As one would expect, the measurement of knowledge flows brings with it another set of complexities including but not limited to, the culture of the firm, the cultural background of the individual employee, the degree to which ICT is in place within the company, the size of work groups and the formality or structure of the groups themselves. A study of
intra-organisational flows needs to understand the parameters that will have an impact on the likelihood of soft knowledge being transferred from one individual to the next.

Tacit Knowledge Management

It only was in the 1990s that knowledge management arose as a discipline in business and academic circles (Roberts, 2001), where the discipline may be defined as “the process of creating, capturing, and using knowledge to enhance organisational performance” (Bassie, 1997, p. 25). Another definition that has been proposed acknowledges the importance of the role of the individual; for example, “knowledge management is about encouraging individuals to communicate their knowledge by creating environments and systems for capturing, organising, and sharing knowledge throughout the company” (Martinez, 1998, p. 89). All too often however, knowledge management has been about the codification of knowledge (Clark, Carter, & Szmigin, 2000).

As discussed in Chapter II, knowledge management in the context of western firms (including of course Australian ones) has to date meant the overemphasis on codified knowledge (Durrance, 1998; Platts & Yeung, 2000). Whilst such an approach is broadly acceptable, it nevertheless misses out on the role that tacit knowledge plays (Broadbent, 1998). Until we realise that some ninety percent of any organisational knowledge is embedded and created in the minds of staff (Bonner, 2000; Lee, 2000; Smith, 2001; Wah, 1999), the western organisation will never fully utilise the most valuable resource it possesses. Nevertheless, in western society, it has been shown that the use made by management in arriving at decisions is often a combination of almost equal amounts of tacit and explicit knowledge (Giunipero, Dawley, & Anthony, 1999). Evidence would seem to suggest that the two types of knowledge are indeed complementary, rather than alternatives (Lawson & Lorenz, 1999).

One major impediment to conducting empirical tacit knowledge investigations has been the lack of appropriate tools (Bloodgood & Salisbury, 2001). There have, however, been other factors that have affected studies of tacit knowledge and its role in the organisation, let us examine these beginning with the role of culture.

The Effect of Culture on Tacit Knowledge Flows

Knowledge management is heavily influenced by the role of culture (Syed-Ikhsan & Rowland, 2004) as is Tacit Knowledge more specifically. Culture in this instance need not necessarily refer to the macro/country level, rather the role of culture is important even down at the ethnic level. For example, in Finland much tacit knowledge is transferred in the sauna (Koskinen, 2000), understandably this has led to present-day difficulties as women begin to participate in business (Rosendo n.d.), to the extent that business in Finland is now moving towards western style boardrooms. The complexity for modern western organisations in particular
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