

The Impact of Tacit Knowledge Sharing on Job Performance

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Abstract: The success or failure of an organization is dependent on its ability to manage and motivate its employees. It is widely accepted that knowledge management is a critical factor affecting an organization's ability to remain competitive in the global marketplace. It is also one of the major strategic uses of informational technology. However, despite the growth in easily using and accessing online information, employees must still rely on their co-workers for knowledge sharing to deal effectively with their work. The thorny form of knowledge sharing is tacit knowledge because it is an experience that is embedded in an individual. Organizations recognize this and must develop a mechanism for obtaining this collective intelligence and skills of its employees to create a greater organizational knowledge base. Using the literature, this study critically analyzes the impact of tacit knowledge sharing on job performance. The study will also briefly explore any likely interactions between tacit knowledge sharing and explicit knowledge sharing. The main research objective is to establish an understanding of the effect of tacit knowledge sharing on job performance. The essence is to understand how organizations can more easily communicate knowledge that will increase job performance, driven by an understanding of leveraging tacit knowledge.

Keywords: Business performance, Knowledge management, Tacit knowledge, Organizational learning, Learning styles, Knowledge sharing

Introduction

In today's rapidly changing environment, knowledge is very important to an organization and is considered a very important resource. It is a key factor that affects an organization's ability to remain competitive in the business community. The increased significance and challenges of knowledge and knowledge-sharing in organizations have gained support from researchers and practitioners. As a result, organizations have come to realize that because it is a vital strategic resource the ability to obtain, develop, share, and apply it can result in sustainable competitive advantage (Bhatt, 2002). It is well accepted that human resources are the key source of the sustainable development of a business (Rowden, 2007). This is because the collective knowledge of employees is the critical factor affecting an organization's ability to remain competitive in the global marketplace (Jacobs & Park, 2009). Furthermore, it is well accepted that some organizational issues that are due to a lack of knowledge, and job performance deficiency are often a result of lack of appropriate knowledge.

According to Sharkie (2003), knowledge must be unique to the organization in order to afford competitive advantage. However, most of the learning that individuals do takes place informally and tacitly (Peroune, 2007). It is this knowledge that must become readily available to determine its impact on job performance. There are two forms of knowledge, explicit and tacit. Explicit knowledge is clearly identified, easily communicated without any vagueness and is codified and stored in a database. Tacit knowledge is the unspoken knowledge that resides in a person's head and is frequently difficult to explain or transfer (Bollinger & Smith, 2001). The study responds to the need for a more coherent understanding of tacit knowledge sharing. The essence of the study is to understand how organizations can more easily communicate knowledge that will increase job performance, driven by an understanding of leveraging tacit knowledge.

Knowledge Management

In recent years, Knowledge Management has become one of the major strategic uses of informational technology. It has become a critical issue because effective knowledge management is the basis for organization

to stay competitive. Knowledge management is the process by which communication and understanding occurs between individuals. During this process, information and knowledge are created, shared, used, and managed. Most importantly, “knowledge management focuses on organizational objectives such as improved performance, competitive advantage, innovation, the sharing of lessons learned, integration and continuous improvement of the organization” (Hajric, 2010).

According to Kridan and Goulding (2006), “the number of firms allegedly working with knowledge Management (KM) has grown increasingly. Furthermore, the purpose and goal of utilizing knowledge management are numerous. For example, knowledge management can be perceived as a way to improve job performance, improved effective sharing and usage of information within organizations, and an overall better way for organizations to become more innovative (Kridan & Goulding, 2006). Therefore, understanding the various types of critical information can help businesses provide a more accurate evaluation of job performance (Forbes, 2017). However, this is determinant on the quality of the information. Since, data inaccuracies can be instrumental in bad decision-making. Accurate and consistent data is essential to business success. If data is managed effectively, it can help organizations improve customer satisfaction and operations (Forbes, 2017). Quality information is a valuable tool used by businesses to evaluate job performance and future organizational goals (Forbes, 2017).

Tacit Knowledge

Organizational objectives are achieved by making effective use of knowledge. Therefore, it is essential that organizations concentrate more on the management of knowledge as a strategic asset and on encouraging the sharing of tacit knowledge. Knowledge sharing is a costly intangible resource that makes organization more competitive in the market. Therefore, acquiring or developing resources is crucial for increasing job performance because the more intangible the resource, the difficult it is for competitors to imitate.

Studies have shown that many job performance deficiencies are due to a lack of communicated knowledge (Peroune, 2007; Akdere & Schmidt, 2007; Kridan & Goulding, 2006). As a result, knowledge sharing which is a readiness to learn from others is accepted as having a considerable impact on job performance (Chow, 2012). However, most of the knowledge that is required to sustain corporate competitiveness is tacit in nature meaning it is entrenched in people and is not obvious to other. Tacit knowledge is unspoken knowledge; it cannot be easily codified and is not readily transferable from one person to another. However, studies have indicated that the sharing of tacit knowledge is an important attribute for team-based learning organizations. Additionally, firms that engage in continuous learning are more likely to achieve superior performance on the job. Although it is believed to be one factor that distinguishes successful managers from others; there is a lack of knowledge in terms of the affect tacit knowledge has on the process (Randeree, 2006).

In agreement, Peroune (2007) maintained that much of the knowledge in which real-world setting is based is tacit knowledge. She further asserted that ninety percent of the knowledge in any organization is entrenched in and synthesized in people’s heads. Therefore, a trusting environment has to be established to obtain the knowledge. Since, the success or failure of an organization’s knowledge management system is dependent on its ability to manage and motivate its employees; trust and collaboration are critical factors (Wang, Ashleigh & Meyers, 2006).

Trust

Tacit knowledge sharing is considered a form of intellectual capital that is preceded by the formation of trust. In order to create an organizational culture that fosters tacit knowledge sharing, trust must be built (Lin, 2007). Over the years, many businesses have struggled to improve workplace relationships. In order to successfully improve workplace relationships, businesses need to rebuild trust. Rebuilding it can be challenging because people test and break trust daily (Reina 2006). Teamwork, time, and commitment are vital in rebuilding trust within any organization.

Essentially, trust can increase organizational commitment and expertise. In fact, high levels of trust are closely related to increased employee engagement, customer satisfaction and business success. In other words, trust in the workplace helps organizations achieve quality job performance which through tacit knowledge sharing can increase employee expertise as well as the quality of information. By integrating the dynamic of trust into the

core values of the organizational culture, a company sets the precedent for interactions between not only coworkers but also management and their employees (Nešić & Lalić, 2016).

On the other hand, mistrust is the foundation of ineffective relationships. As it relates to business relationships, mistrust directly impacts tacit knowledge sharing in the workplace by threatening job performance, and damaging economic growth. Furthermore, mistrust can develop due to conflicts triggered by competition. Therefore, it is essential for businesses to resolve mistrust issues (Nešić & Lalić, 2016). Jealousy and competitiveness can also arise as a result of job insecurity. This shift in perspective leads to the unwillingness to share mental knowledge that riddles most workplaces.

Finally, competition among organizations today has developed to gain competitive advantage and success. Competition is an essential element of the concept of business because workplace behaviors are affected by competition. While competition between businesses could often be beneficial by promoting, growth, revenue and innovation, competition within a single company has the potential to negatively impact tacit knowledge sharing. In terms of sharing tacit knowledge, competition can lead employees to withhold critical information for their individual gain. For example, one worker driven to succeed at the expense of other workers can ultimately destroy relationships within the business as well as the ethics of an organization. As a result, management is the stepping stone to creating an environment of trust and willingness to share tacit knowledge. Essentially how management and their employees interact speaks to the culture of an organization's values. Studies show that employees and managers do not engage in mutually trusting relationships (Davis & Landa, 1999).

Organizational Learning

Organizational learning is defined as the process of creating, retaining, and transferring knowledge within an organization. In essence, it adds dimensions to the individual learning process, because what is learned by the individual is shared with the group (Akdere & Schmidt, 2007). According to Rudawska (2013), the purpose of organizational learning from the knowledge sharing viewpoint is to create organizational knowledge for the organization. This knowledge is needed for competitive advantage. The organizational learning process facilitates knowledge development and preserves new knowledge in organizational operations. Furthermore, the literature supports the fact that the knowledge management process affects the learning organization because knowledge management practices support organizational learning (Rudawska, 2013). Overall, findings have shown that organizational learning demonstrates an important channel to performance, success and competitive advantage for companies (Noruzi, Dalfard, Azhdari, Nazari-Shirkouhi, & Rezazadeh, (2013).

Discussion

As discussed throughout the literature, team trust is considered a major factor in knowledge sharing (Wang, Ashleigh & Meyers, 2006). As a result, the creation of a trusting environment is important. Employee loyalty is built through the formation of trust which increases the willingness to share tacit knowledge. In order to comprehend the nature of trust in the workplace, the personal perspective of the employee must be valued (Lin, 2007). Teamwork and achievement of organizational goals hold special meaning for employees who are committed to their role and organization. Feeling valued by one's company is vital to the improvement of job performance (Hosein & Seyed, 2017). When an employee feels valued, heard, and supported, they flourish in a workplace environment. These factors impact willingness to share mental knowledge and in turn, improve job performance.

Conclusion

Organizations need to remain competitive in the global marketplace and therefore there is a demand for effective knowledge management to ensure a successful organization. Given the growing body of literature that supports knowledge as an organization's critical asset, businesses are embarking on strategies that will increase the sharing of tacit knowledge. The literature strongly supports the fact that a company's knowledge gives them advantage over their competitor. Clearly, it shows that it is important that management organize and promote the sharing and exchange of information because it normally results in beneficial organizational outcomes, such as higher performance assessment and more effective teams. Interaction between people, technologies, and

techniques allows an organization to accomplish difficult and innovative tasks. However, it is important to note that securing tacit knowledge may be a significant challenge to the organization's management.

Existing literature consistently shows that tacit knowledge sharing plays a critical role in job performance by allowing for an efficient distribution of knowledge and better productivity. In addition, the study provide insight into how sharing tacit knowledge can contribute to organizational learning and in so doing improve performance. Besides, by recognizing the factors that encourages tacit knowledge sharing and the effect it has on job performance, different techniques can be recommended and tried. The study thus confirms that understanding knowledge-sharing can help managers encourage knowledge sharing and in so doing increase the organizational body of knowledge. Equally important it will authenticate the concept that the more an organization knows the more it can learn. The study will lay a foundation for further work that could demonstrate the association between management, leadership styles and tacit knowledge sharing.

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