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.

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. Since workplace environment changes affect the workplace, improving employees' expertise through organizational learning and tacit knowledge sharing to meet the rapidly environment changes, has become a crucial issue in organizational development, job performance and success (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. Furthermore, knowledge is possessed by individual employees so its importance lies in its creativity value. As a result, organizations are currently establishing reward systems that will motivate employees to share their knowledge with each other. Management usually devote much of their training expenses to structured formal learning. However, most of the learning that individuals do takes place informally or 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). Peroune (2007) further noted that the transfer of knowledge from tacit to explicit moves knowledge from level of the individual to that of the group, and eventually to the organization.

This study is considered extremely important because organization with superior knowledge can exploit and develop resources better than their competitors. Furthermore, 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), "knowledge management (KM) is seen as a significant component of a business strategy that has the ability to provide an organization with opportunities to manage new market challenges". The number of firms allegedly working with KM has grown increasingly and this interest in managing "knowledge stems from several reasons". 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). In essence, it is a process by which an organization creates, share, and control knowledge for specific business advantages. Therefore, understanding the various types of critical information can help businesses analyze and utilize that information most effectively. In addition, it can provide a more accurate evaluation of job performance (Forbes, 2017). 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).

Data Quality

An effective knowledge management system implies that users are able to access and use the knowledge to improve their business functions. However, this is determinant on the quality of the information. Since, data inaccuracies can be instrumental in bad decision-making. It should be noted, that erroneous data can be caused by carelessness, lack of information, misinterpreting data or dishonest employees which could lead to major problems.

Moreover, inaccurate data is useless and it can negatively impact a business in many ways. Some ways it adversely affects businesses are by loss of customers, reputational damage, missed opportunities and decreased profit. For these reasons, businesses need to find ways to stop the spread of bad data (Forbes, 2017).

The key to stopping the spread of inaccurate data in the workplace is by promoting quality information sharing. This can be done by critically analyzing information to improve data quality (Forbes, 2017). According to the New Forbes Insights Report, "the challenges posed by improving data quality can be daunting and obscure the benefits and possibilities that good-quality data enables, but the costs of doing nothing is high (Forbes, 2017)." In other words, the benefits of quality information outweigh the challenges involved with improving data quality (Forbes, 2017). On the other hand, failing to resolve inaccurate data issues can put businesses at an extremely high risk of failure. "In its raw form, data can often be imperfect and incomplete, but with the right tools and processes, data can deliver true, insights to a business. The good news is that more organizations are investing in data and technologies to improve and enrich data quality to improve outcomes, save money and make better decisions (Forbes, 2017)." Businesses need to analyze quality information and its benefits in order to better understand its significance as it pertains to success.

Quality information is a valuable tool used by businesses to evaluate job performance and future organizational goals. In addition, some "benefits of quality data are decision-making, productivity, compliance, marketing (Forbes, 2017)." With effective knowledge management, "businesses can capitalize on the data and incorporate that intelligence into their business operations (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. The sharing, which can be done directly and through different technological systems, has resulted in organizations now having to rethink the way they manage their business. 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 (Lin, 2007). In order to create an organizational culture that fosters tacit knowledge sharing, trust must be built. Trust is much more than an emotional expression of confidence in another. It consists of behavior ethics, competence, reliability and integrity (Lin, 2007). These factors are integrated into the workplace when the organization sets the precedent, enforced through the behaviors of management with employees, and enhanced through the interactions of coworkers. 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. Trust plays a major role in teamwork and the effective completion of tasks.

In addition, trust builds confidence and encourages honest feedback which enhances the quality of information. Organizational trust motivates employees to embrace job responsibilities, adapt to changes and contributes to the effort employees put into their work. 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).

Mistrust

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. "Some of these conflicts are breaching agreements, lack of commitment, betrayal, failure to share critical information, refusal to accept accountability and failure to apologize for mistakes, miscommunication, and misconduct". Therefore, it is essential for businesses to resolve mistrust issues (Nešić & Lalić, 2016) . As these bonds are built, trust is strengthened, but when any of these elements are out of balance or missing, a lack of trust begins to occur (Restoring Trust, 2019). This is when issues such as jealousy, competitiveness, and job insecurity become the motivation behind an employee's work performance. Job insecurity has been defined as an employees' concern about the continuity of their employment. The relationship between trust and job insecurity can result in a loss of trust. This can also be interpreted as the disintegration of the employee's relationship with the employer and sometimes leads to a lack of job satisfaction and poor mental well-being (Richter & Näswall, 2019). 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.

Competition

The 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.

According to Ford and Hakansson (2013), there is a great potential for businesses to profit in a competitive market. However, the pressure to increase sales could cause employees to use unethical tactics. In addition, competition can lead to challenges that directly impact tacit knowledge sharing, such as mistrust, different learning styles and inaccurate information. Businesses should reduce uncertainties related to competition through the sharing of tacit knowledge (Ford & Hakansson, 2013). Preventative measures can be taken to avoid competition and jealousy by promoting collaboration between coworkers. This can be accomplished by placing an emphasis on teamwork. Research suggests that positive coworker relationships formed early on have an effect in the long run. Evidence shows the correlation between positive coworker relationships and improvement in job satisfaction, organizational commitment and communication (Glaman, Jones & Rozelle, 2002). Trust plays a pivotal role in creating a collaborative culture and is a prerequisite to tacit knowledge sharing. Collaboration occurs when everyone learns to confide in and respect one another (Kucharska, 2017). Once a person learns that working as a team can generate better results than working individually, teamwork becomes a natural aspect of the organizational culture.

Management and Leadership Styles

Management is the stepping stone to creating an environment of trust and willingness to share tacit knowledge. 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). This is a pressing issue that must be addressed so as to establish efficiency and improve work ethic in companies worldwide. The correlation between trust and tacit knowledge sharing is thoroughly understood, but the implementation and restoration of trust between managers and employees on the ground level are lacking. Research from Bass' (1985) showed that multifactor leadership model is necessary when exploring management and leadership styles. The literature addresses transactional, transformational, and laissez-faire leadership. Transactional leadership consists of motivating followers through a reward system. Transformational leadership is characterized by interacting with employees to create organizational collaboration (Yang, 2007). Laissez-faire leadership style is a non-leadership style. It is ineffective because the leader struggles to make effective decisions, avoids conflict, and is not available to support employees when necessary (Dussault & Frenette, 2015). The goal of these methods is to understand the employee's needs and provide an incentive to achieve goals. However, incentive-based leadership to any degree indirectly incites selfishness and competitiveness.

Although the outcome is usually unintentional, it can negatively impact the fostering of a collaborative culture and impede the restoration of trust (Dussault & Frenette, 2015).

Organizational Learning

Organizational learning is defined as the process of creating, retaining and transferring knowledge within an organization. With experience and time, an organization improves and gains knowledge that can better "increase production efficiency or develop beneficial investor relations (Argote, 2013)." Akdere and Schmidt (2007) noted that organizational learning takes place when members of the organization act as learning agents of the organization and is an ongoing learning experience. According to them it provides a sustainable opportunity for change and a chance for continuous renewal from within. 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).

Furthermore Rudawska (2013) maintains that 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. Moreover, the literature supports the fact that the knowledge management process affects the learning organization because knowledge management practices support organizational learning (Rudawska, 2013).

For businesses to increase organizational learning rates, they need to provide training to facilitate effective learning. In addition, they need to use organizational learning to facilitate expertise development. There are various ways to facilitate learning in the workplace. Facilitated learning is a set of tools and strategies that organizations may use to encourage employees to learn and retain information. Facilitated learning promotes critical thinking and comprehensive understanding. Employees perform better in a learning environment when they are empowered to make their own decisions. When businesses facilitate learning, they also facilitate job performance. Organizations can facilitate learning to build the expertise of staff and provide them with valuable skills. This is important because these skills are assets to the organization and with tacit knowledge sharing it has the potential to lead to the success of the business (Argote, 2013). Overall, findings have shown that organizational learning demonstrates an important channel to performance, success and competitive advantage for companies (Noruzy, 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. The degree to which an employee identifies with their particular organization is referred to as organizational commitment. This bond is understood through interactions between coworkers in the workplace (Lin, 2007).

Teamwork and achievement of organizational goals hold special meaning for employees who are committed to their role and organization. When receiving recognition, employees are proud of their accomplishments and strive to reach performance goals set by management. Feeling valued by one's company is vital to the improvement of job performance. When the employee is loyal to their organization, they go to the lengths of introducing the organization to others with pride. Job pride and brand loyalty eventually incite a sense of self-awareness and increases confidence (Hosein & Seyed, 2017). When an employee feels valued, heard, and supported, they flourish in a workplace environment. By assessing the role self-image and mental health play in work ethic, the dynamic of trust along with the influence of management and organizational culture is better understood. Together, these factors impact willingness to share mental knowledge and in turn, improve job performance.

Conclusion

Organizations need to remain competitive in 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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