Tacit Knowledge: What is it, and how you can promote it?

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In this era of fierce competition, companies are focusing on a knowledge-sharing culture and a knowledge-centric approach to scale rapidly. However, not all companies are able to optimally utilize this process because they miss a very crucial type of information. What are we referring to? **Tacit knowledge**.

Yes, knowledge can be categorized too. Primarily there are two broad categories of knowledge, i.e., **Explicit** and **Tacit Knowledge**. Companies that focus on tapping tacit knowledge along with explicit one have shown tremendous progress over the years. Let us look at what these two terms are:

Explicit Knowledge

The knowledge that can be taught and explained easily or can be shared with ease using instructions is explicit knowledge. Explicit knowledge is relatively straightforward and does not require deep thinking.

Examples of explicit knowledge are handbooks, instruction manuals, step-by-step guides, maps, recipe books, operation manuals, etc.

Tacit Knowledge

The knowledge that sets each person apart is called tacit or implicit knowledge. It is the knowledge individuals gain through their personal and professional experiences over time. It is not as easy to share or express because it is highly influenced by personal beliefs, opinions, values, and ethics.

> *The term "**tacit knowledge**" is attributed to Michael Polanyi. He coined the term in his book "Personal Knowledge: Towards a Post Critical Philosophy" in 1958. Later on in his book "The Tacit Dimension" he asserted that "we can know more than we can tell". He for the first time distinguished knowledge between tacit and explicit. Polanyi also mentioned that all knowledge rooted to tacit knowledge. In simple terms, knowledge which resides in human head is known as tacit knowledge. Tacit knowledge entails information that is difficult to express, formalize or share. It stands in contrast to explicit knowledge, which is conscious and can be put in words. Tacit knowledge is unconsciously acquired from the experiences one has while immersed in an environment. Tacit knowledge is "knowing how" and "knowing-why" while explicit knowledge is "knowing what". It collects all those things that we know how to do but perhaps we do not know how to explain. According to Polanyi, tacit knowledge is knowledge that the actor knows he has but which he cannot describe in terms other than its own performance, e.g., the knowledge of driving. Tacit knowledge is the personal and context specific knowledge of a person that resides in the human mind, behaviour and perception (Duffy, 2000).*
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Tacit knowledge differs from person to person and hence is more complex to explain. It is often expressed in the form of actions, instincts, responses, routines, habits, and behaviors. However, tacit knowledge plays a significant role in how a person perceives the world.

Examples of tacit knowledge include leadership skills, selling skills, innovation, learning new languages, aesthetic sense, creativity, etc.

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Knowledge as an Iceberg Model

Explicit Knowledge:
- Manuals
- How-To-Guides
- How-To-Guides
- Documents
- Videos
- Notes
- Procedures
- Databases
- Records

Tacit Knowledge:
- Individual Skill
- Ideas
- Cultural Beliefs
- Expertise
- Insights
- Values
- Education
- Intuition
- Attitudes
- Experience
- Observations
- Mental Models

Now that you know the two types of knowledge, let us talk in-depth about the underrated and lesser-known – **tacit knowledge**.

Why should businesses capture tacit knowledge?

Tacit knowledge is considered an intangible asset for a company. It helps businesses in many ways. Let us look at a few benefits of capturing tacit knowledge.

1. It gives a competitive advantage

The problem most companies face is that when an employee leaves, they take their tacit knowledge along with them, costing companies a considerable sum to find a similar replacement. Tacit knowledge has evolved as one of the most valued untapped resources in companies.

It is essential to capture your employees' invaluable tacit knowledge to implement smoother processes. It helps establish best practices and demonstrate an optimal approach to tasks, improving productivity. Another advantage of tacit knowledge is that competitors might be able to steal tools, strategies, or explicit information but cannot lay hands on the tacit knowledge of your company.

Thus, incorporating tacit knowledge gives your organization a competitive edge while contributing to better decision-making and serving your stakeholders better. It also gives your customers more reasons to choose your brand over your competitors.

Tacit knowledge is a source of competitive advantage due to its inimitability, being along with the firm-level capabilities imperatives for product innovation (Grant, 1996a), this is the ability of firms to consistently deliver new products and services that address customer's precise needs ahead of the competition (Fernandes, Ferreira, & Raposo, 2013).

2. Enables Smoother and more Effective Communication

Misunderstandings and disagreements are common phenomena in corporate circles. No great idea would come forward if nobody contributed their input and just agreed with each other.

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The difference in individual tacit knowledge can cause disagreements among people, but at the same time, help them communicate more effectively to put their point across and, more importantly, fetch the best approach and solution to a particular problem.

Utilizing an internal knowledge base to make all the information visible, accessible, and transparent throughout the organization will avoid any misunderstanding and keep everyone updated and active. A knowledge management system helps the company leaders and resources align their goals, learn from each other and communicate effectively.

3. Enables Learning from Experiences

How does a person learn? Through studying and reading. But people learn the quickest when they hear of others' experiences. The best part about learning from others is that it gives people a sense of the right direction for the future without wasting time.

The inclusion of tacit knowledge into Standard Operating procedures gives a sense of context to how things can be done, especially in remote onboarding or training. Tacit knowledge can minimize knowledge gaps by people learning from each other's experiences.

4. It opens you to different perspectives

Human capital is the most valuable asset for a company, and skillfully leveraging each employee's perspective, experience, and tacit knowledge is the best value addition for an organization.

When you incorporate the exchange and sharing of tacit knowledge, you give your employees a more accommodating outlook. They begin to value each other's perspectives and consider each other suggestions before arriving at the final solution. This culture builds trust and a value system that sets your organization apart from others, as even the external stakeholders can see the outcome and growth.

Ways to Promote Tacit Knowledge Sharing

Many companies struggle to promote tacit knowledge. It is challenging to transfer tacit knowledge to organizational knowledge. Some reasons include more focus on explicit knowledge, the absence of a knowledge management system, and a laidback knowledge-sharing culture.

Let's look at a few ways to promote tacit knowledge within your organization.

1. Encourage a Learning Environment

As you know, tacit knowledge is difficult to explain or teach, and therefore a proper environment is crucial for exchanging tacit knowledge. A learning environment where seniors are open to learning from juniors or juniors who can freely express themselves might help in this case. Creating an environment that promotes knowledge sharing will help promote tacit knowledge automatically.

2. Promote Hands-On Training

Tacit knowledge cannot be expressed easily. But one way to share such knowledge is by encouraging employees to observe others while accomplishing a task. This promotes hands-on training and also enables sharing of tacit knowledge. You can create programs like reverse mentorship, wherein the new joiners are paired with senior employees and learn from each other.

3. Don't isolate a problem

Organizations generally leave a problem to the concerned department to solve it their way. However, it would be better not to isolate the problem and open it up to all the departments to get their input. This will promote tacit knowledge and provide a more holistic solution.

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Some solutions by people might not be effective for that problem but might be the missing piece to another puzzle. So, it is essential to document these solutions and findings and make them accessible so that all employees can learn from each other.

How to effectively share Tacit knowledge?

Studies found that personal interaction and informal networks work as the most successful means of sharing tacit knowledge.

Get a privately hosted 30-day trial to take a deeper dive into PHPKB!

Book a Demo

Tools to Capture Tacit Knowledge

Tacit knowledge poses a challenge to organizational knowledge management. Suitable tools are necessary to encourage, capture, and promote tacit knowledge in the company. Let's look at some essential tools you can use for the same in different departments.

1. Tools for Customer Service

- ### Real-Time Chat

  LIVE chat enables customers to ask their queries via chat directly to a customer service executive. The executives must write their key takeaways from each customer interaction and share their list with other executives for knowledge sharing.

- ### FAQ Section

  A knowledge base allows you to create a public-facing FAQ (Frequently Asked Questions) database that customers can scan through for their queries and provide valuable feedback on the usefulness of the information.

- ### Call Recordings

  Call center executives can be provided with call recording software to capture customer interactions. These customer interactions can be used during training and case studies to understand behaviors, impacts, and other tacit information

2. Tools for Management

- ### Knowledge Base

  A knowledge base management system allows your employees to compile information as they learn it. This creates a gigantic and valuable internal wiki, which any employee can use to deal with a particular problem or situation.

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- ## Campaign Management

  It is easy to oversee large-scale marketing campaigns, KPIs, and A/B testing using campaign management tools.

- ## Gantt Charts

  These charts allow you to align the goals of different cross-functional teams.

3. Tools for Sales

- ### VoIP tools

  Voice-over-Internet Protocol tools record the sales calls and pitch your sales executives make. These recordings can be used in the future for knowledge sharing, training, and case studies.

- ### Deal Tracking Tools

  They are sales tracking systems that enable sales executives to take note of their leads, track them, and make required notes about their findings.

4. Tools for Marketing

- ### Blogs and Articles

  Publishing content via blogs can help you connect with your customers and employees. Use text, audio, and video aids to make the blogs easier to understand. Demo videos, case studies, and step-by-step guides can also promote tacit learning.

- ### Newsletters

  Utilize the promotional nature of newsletters to communicate about new events, schemes, or offers. They work differently than email marketing. Newsletters shouldn't be restricted to external communication. An excellent way to encourage tacit knowledge sharing would be to encourage inputs for internal newsletters and publish them regularly.

- ### Email Marketing Campaigns

  One of the most effective forms of marketing, setting up email marketing campaigns is a great tool to promote tacit knowledge. You can create different email campaigns with metrics, comparisons, and new findings every month.

Conclusion

Tacit knowledge is fast gaining importance, and many organizations are working hard to adapt it. To stay ahead of your competitors, pace up the tacit knowledge sharing in your organization.

Undoubtedly, there are challenges in converting tacit knowledge to organizational knowledge, but there are ways and tools that can be used to make the transfer more feasible. Creating and fostering a learning environment is extremely challenging without a viable knowledge base. A knowledge base is an optimal solution that consists of practical tools that can capture the required tacit knowledge.

A feature-rich knowledge base like **PHPKB** can be used to implement and pace up your organization's tacit knowledge-sharing

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process. It can also be integrated with several third-party applications for higher efficiency. Learn more about the **PHPKB software** here or take a **FREE trial** to gain a first-hand experience of its utility.

Reference Links:

1. Duffy, J. (2000). Knowledge Management: To be or not to be? Information Management Journal, 34(1), 64–67.
2. Grant, R. M. (1996a). Prospering in dynamically-competitive environments: Organizational capability as knowledge. Organization Science, 7(4), 375-387. https://doi.org/10.1287/orsc.7.4.375
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