

TACIT KNOWLEDGE STRATEGIES AND ORGANIZATIONAL COMPETITIVENESS: A MODERATING ROLE OF ORGANIZATIONAL CULTURE IN PAINT MANUFACTURING FIRMS IN PORT HARCOURT.

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ABSTRACT

This work examined tacit knowledge strategies and organizational competitiveness in paint manufacturing firms Port Harcourt. The study revealed that dimensions of tacit knowledge strategies such as strategic deputization, externalization and information sharing culture significantly and positively affects measures of organizational competitiveness such as product innovation, satisfactory service delivery and outstanding brand image. The study concluded that tacit knowledge strategies bring about managers' organizational competitiveness. Consequently, the study recommended among other things that organizations should endeavour to select or appoint qualified individuals to deputize in their various units or place of assignment.

Keywords: Tacit Knowledge, Organisational Competition, Organisational Culture, Paint Manufacturing Firm

INTRODUCTION

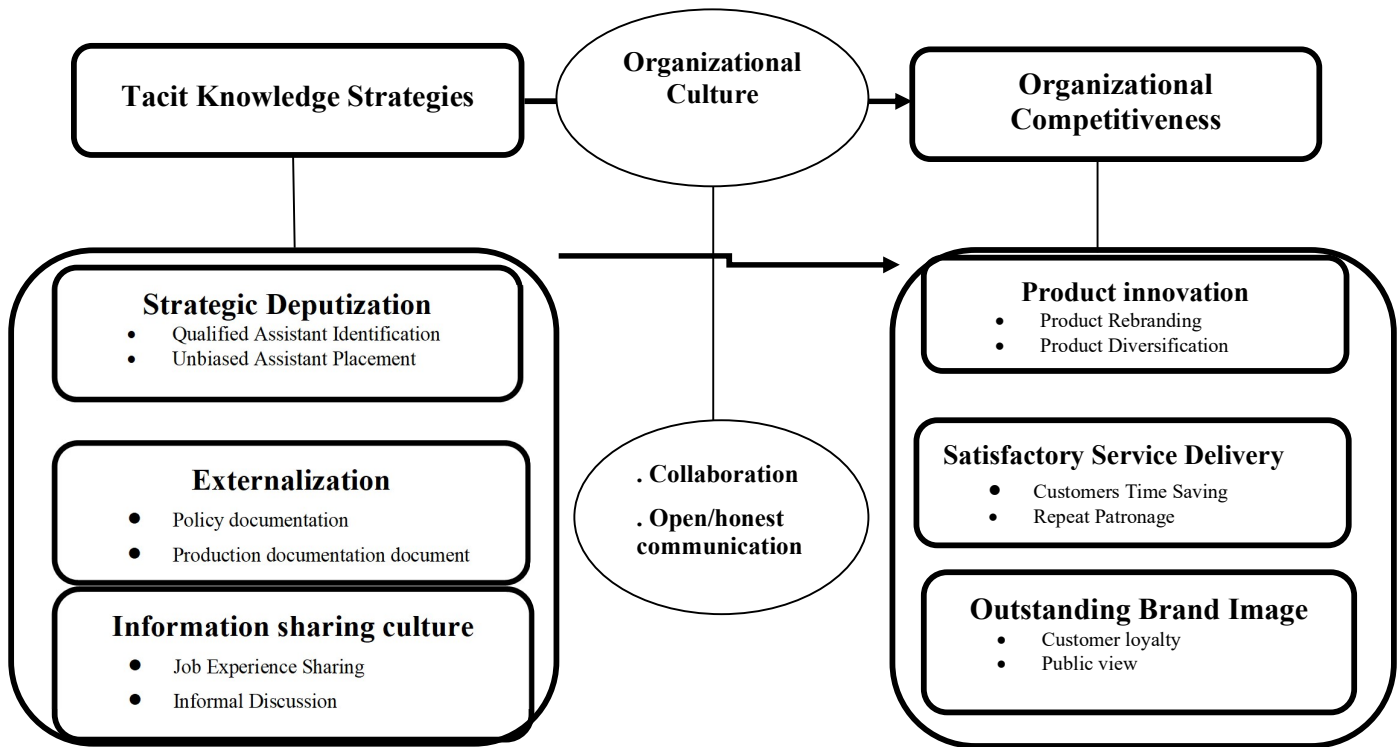
Paints manufacturing firms in Nigeria and Rivers State in particular seem experiencing declining performance, they have continued to record low profit margins and low patronage. Supporting the above fact, Nwabali (2018) identified low sales, fluctuating market share, low profit margin, and retrogressing in service reputation comparing to their counterpart in other part of the world (poor brand image) as some of the major problems faced by the paints manufacturing sector in Rivers State as a result of the conservative administrative and poor service delivery. Thus, the competitiveness of paints manufacturing firms in Rivers State is quite low. The researcher has also observed that manufacturing firms in Nigeria and Rivers State in particular are yet to adequately embrace tacit knowledge harnessing practices such as strategic deputization, externalization, and information sharing culture. This negligence has made it difficult for these organizations to fully harness the tacit knowledge in their staff and make projection for future consolidation to enable it positioned favorably and dominate the market. This may not only affect their product quality but is also capable of making them moribund.

In spite of the fact that knowledge management and organizational competitiveness have been objects of research interest in recent times, the relationship between tacit knowledge and organizational competitiveness of paints manufacturing firms in Rivers State seem to have dearth of literatures. Previous researchers have dwelt on knowledge management and organizational performance (Gold, Malhotra, & Segars, 2001; Lee & Choi, 2003; Abidi, Cheah, & Curran, 2005; Nonaka, 2014; Nonaka& Konno 2015); knowledge management adoption in Nigeria (Lemos & Nascimento, 2017); factors influencing organizational performance (Ramlah, Mohamad, &Nor, 2008; Power, 2013; Harit & Chetioui, 2017). None of these studies provided empirical evidence about the relationship between tacit knowledge harnessing and organizational competitiveness of paints manufacturing firms in Rivers State. This is the knowledge gap which the present study sought to fill which gives credence to this research effort.

Conceptual Framework

The diagram below shows the predictor variable tacit knowledge harnessing strategies in the dimension of strategic deputization, externalization and information sharing culture with the

criterion variable organizational competitiveness measured product innovation, satisfactory service delivery and outstanding brand image.



The Concept of Tacit Knowledge Strategy

Tacit knowledge is difficult to write down, visualize or transfer from one person to another (Magnier, et al 2017). Tacit knowledge is the technical or cognitive and is made up of mental models, values, beliefs, perceptions, insights and assumptions. It collects all those things that we know-how to do but perhaps do not know-how to explain. It is messy, job specific, difficult to study, regarded as being of negligible epistemic worth. It is rooted in context, experience, practice and values, and hard to communicate, as it resides in the mind of the practitioner. It is the best source of long-term competitive advantage and innovation, and passes through socialization and is not handled by well information technology (IT). The concept of tacit knowledge in organizations has given by many scholars Collins (2010), tacit knowledge plays an important role in the knowledge-oriented research in management. It is connected with terms such as skills, know-how, know-why, working knowledge, high level of expertise. It embodies an individual's education, natural talent, experience and judgment (Kikoski, 2004).

The term tacit knowledge was first introduced into philosophy by the Hungarian philosopher; physician and chemist Michael Polanyi (1891–1976) in 1958 in his magnum opus *Personal Knowledge*. He was born in Budapest into an upper class Jewish family (Polanyi, 1958) in (Haradhan 2016). He conducted research in Germany, England, the USA and Canada. He famously summarizes the idea of tacit knowledge in his book. The Tacit Dimension with the assertion that we can know more than we can tell.' He strongly believes that creative acts are shot through with strong personal feelings and commitments. He was interested in the layers of knowledge which he called the tacit dimension of knowledge. His concept of tacit knowledge is an important contribution to the field of epistemology and cognitive psychology. Haradhan (2016) also expressed that it is the 'Knowledge of untold portions which supports what is told.' Tacit knowledge

is unexternalizable and intransmittable body knowledge, experience knowledge, subjective knowledge or personal knowledge that a living person, not a machine or a computer, has acquired inside the body (Masaru, 2004). It consists of a range of conceptual and sensory information and images that can be brought to bear in an attempt to make sense of something. For example, how to drive a car well is usually unconscious and quite hard to explain in detail. Physicians can identify diseases by tacit knowledge. Workplace knowledge that we do not get from being taught, or from books, paper, magazine, etc. but get from personal experience (Smith, 2001). According to Nonaka (1991) in Haradhan (2016) subdivided tacit knowledge into two categories: expressible tacit knowledge, and inexpressible tacit knowledge. Expressible tacit knowledge can be documented, but certain factors commonly prevent documentation from happening.

Protecting individuals and organizations is often a key factor in preventing documentation of expressible tacit knowledge. Examples of expressible tacit knowledge include personal information about staffs, colleagues and customers, competitors, recipes and formulas, trade secrets, rules of thumb, and tricks of the trade (Haradhan, 2016). Inexpressible tacit knowledge is complex, intuitive, and impossible to articulate fully in any form. Examples include a masterful piano performance, Olympic cycling, expert animal training and green-thumb gardening. Tacit knowledge makes speakers fluent, lets scientists understand each other, is the crucial part of what teachers teach, makes bureaucratic life seem ordered, comprises the skill in most sports and other physical activities, etc. It currently lives a varied life in a range of academic disciplines, including philosophy, psychology, sociology, management, and economics; and by right, it ought to play a large part in the world of artificial intelligence (Collins, 2010). The definitions of tacit knowledge are given by the various scholars as follows:

Tacit knowledge is highly personal and hard to formalize, making it difficult to communicate or share with others. It is deeply rooted in an individual's actions and experience as well as in the ideals, values or emotions he or she embraces (Haradhan, 2016). Nonaka, et al (2016) postulates that tacit knowledge represents knowledge based on the experience of individuals, expressed in human actions in the form of evaluation, attitudes, points of view, commitment and motivation. The above scholars maintained that it consists of mental models, beliefs and persuasions of each individual employee that are so ingrained as to be taken for granted. It resides within the individual and is difficult to express in words. Meso and Smith (2017) posits that tacit knowledge describes the form in which we hold our least communicable knowledge assets in the E-space. It has a personal quality that makes it hard to formalize and communicate. It is not easy to see or express, it is highly personal and hard to formalize. It may well be rooted in the individual's experience, attitude, values and behavior patterns (Gore & Gore, 2018). Tacit knowledge includes the intuition, perspectives, beliefs and values that peoples form as a result of their experiences (Saint-Onge, 1996 in Haradhan 2016). It entails information that is difficult to express, formalize or share and it is unconsciously acquired from the experiences one has while immersed in an environment (Lubit, 2001).

Concept of Organizational Competitiveness

Competitiveness is a multidimensional concept. It can be looked at from three different levels: country, industry, and organization level. Competitiveness originated from the Latin word, *competere*, which means involvement in a business rivalry for markets. It has become common to describe economic strength of an entity with respect to its competitors in the global market economy in which goods, services, people, skills, and ideas move freely across geographical borders (Murths, 2010).

Organizational competitiveness can be defined as the ability of an organization to design, produce and or market products superior to those offered by competitors, considering the price and non-price qualities (D'Cruz, 2012). Organizational competitiveness happens through the instrumentality of what is known as competitive processes. Competitiveness processes are those processes, which help identify the importance and current performance of core processes such as strategic

management processes, human resources processes, operations management processes and technology management processes. The competitiveness process can be viewed as a balancing process that complements traditional functional processes such as operations management and human resources management. It enhances the ability of an organization to compete more effectively.

Competitiveness involves a combination of assets and processes, where assets are inherited (natural resources) or created (infrastructure) and processes transform assets to achieve economic gains from sales to customers" (DC, 2001). Outcomes can be achieved through competitive potentials through the competitiveness process, similar to the Asset-Process- Performance (APP) framework (Momaya, 2017).

Some authors view competitiveness with the competency approach. They emphasize the role of factors internal to the organizations such as organization strategy, structures, competencies, capabilities to innovate, and other tangible and intangible resources for their competitive success (Bartlett and Ghoshal, 1989; Doz and Prahalad, 1987; Hamel and Prahalad, 1989, 1990). This view is particularly among the resource-based approach towards competitiveness (Barney 2001, Peteraf, 1993; Ulrich, 1993 in Haradhan 2016). Ability to develop and deploy capabilities and talents far more effectively than competitors can help in achieving world-class competitiveness (Smith, 1995).

Productivity has often been termed as a surrogate of competitiveness and good indicator of long-term competitiveness of an organization by many authors. Porter defined competitiveness at the organizational level as productivity growth that is reflected in either lower costs or differentiated products that command premium prices. The generic strategies given by Porter also emphasizes these criteria (Peter, 2014). It has been said the company, industry, or nation with the highest productivity could be seen as the most competitive (McKee & Sessions-Robinson, 2015). However, organizational competitiveness is measured in numerous ways but in this study we shall measure it using product innovation, satisfactory service delivery and outstanding brand image.

Organizational Culture

Culture itself is a product of a group of people living at the same place and having similar attitudes and behavior. People who belong to a certain culture share similar norms, history, religion, values and artifacts which distinguish them from others. Therefore, there are numerous national cultures and even more subcultures, providing certain types of organization and action. In modern societies, however, culture is considered to be a tangible or intangible environment in which a group of people live and work together (Gjuraj, 2013).

Organizational culture refers to a system of values, beliefs and behavior shared among employees (Deshpande & Webster, 1989; Ravasi & Schultz, 2006; Xiaoming & Junchen, 2012 in Dimitrios & Athanasios 2019). The most popular and concise definition is most probably the one that has been formed by Schein (2004), who stated that: "Organizational culture is the pattern of basic assumptions that a group has invented, or discovered in learning to cope with its problems of external adaptation and internal integration, and that have worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems. According to him, culture is a dynamic process, resulting from the interaction among others and promoted by leadership behaviors. It encompasses "a set of structures, routines, rules and norms that guide and constrain behavior" (Schein, 2004).

Another successful and perhaps more specific-definition of organizational culture has been given by Claver (2017), accordingly organizational culture is a set of values, symbols and rituals, shared by the members of a specific firm, which describes the way things are done in an organization in order to solve both internal management problems and those related to customers, suppliers and environment. Tharp (2016) has noted some common features among the definitions that have been given to organizational culture through the years. First of all, they all include the concept of

sharing; indicating that organizational culture is only developed within groups (even small ones). Secondly, organizational culture is considered to be a social construction, related to each organizations and employees' location, history, working environment and specific events. Finally, many definitions imply that organizational culture is multidimensional and multileveled and includes many cognitive and symbolic strata.

What is more, Schein (2004) has distinguished three locations where an organizational culture is likely to be found: i) Observable artifacts which refer to an organization's specific attitudes, beliefs and behaviors and may include its location and architecture, technologies and products, mission statement and values, individual style (e.g. dress code of employees), language and jargon, practices and stories, and even the employees' sense of humor, taboos, or special rituals and ceremonies. ii) Espoused values which are vindicated by the organization's superiors and may or may not be reflected in the employee's actual behavior. An organization's leadership should have significant influential skills, in order to make such values acceptable by employees. These values allow organizational members to interpret signals, events and issues that guide behavior. iii) Basic underlying assumptions which refer to interpretative personal schemes used for perceiving situations, creating the basis for collective action. They develop over time, while members of a group create strategies to face problems and pass them along incoming members. Should superiors of an organization succeed in passing their schemes and values to the employees, those values may become so ingrained and taken-for-granted that employees act in certain ways unconsciously, while they experience the feeling of security and the sense of belonging. Therefore, organizational culture is seen as the organizational established altitude in trying to cope with its internal and external surrounding. It involves the set of principles, belief system, interaction etc. in the organization that enable it perform for productivity. It is refers to as moderating action that bring employee together in an organization. The organizational pattern or culture determined her level of productivity and service delivery as well as the innovativeness in the workplace which will position her organization on a competitive ladder in the market. Organizational culture is measured in the collaboration, support and open and honest communication in the organization respective of the position. This communication enhances the sharing of knowledge from to another.

Innovation Diffusion Theory

Innovation diffusion theory (IDT) is a theory in the communications literature that explains how innovations are adopted within a population of potential adopters. The concept was first studied by French sociologist Gabriel Tarde, but the theory was developed by Everett Rogers in 1962 based on observations of 508 diffusion studies (Bhattacharjee, 2012; Agada, 2017). The theory holds that people and organizations do not adopt innovations at the same pace but maintains that the speed or how early a person or organization adopts new technology is better for them. The four key elements in this theory are: innovation, communication channels, time, and social system. Innovations may include new technologies, new practices, or new ideas, and adopters may be individuals or organizations.

Communication: The theory recognizes networking tools application, mass media, and interpersonal communication networking tools as three major communications. Today rapport and communication have become the other of the day in the workplace as long there will tacit knowledge. So we cannot talk of communication culture as an ample tool for administration.

Time: The time component of Innovation Diffusion Theory holds that everybody does not just jump into accepting new technologies such as tacit knowledge harnessing strategies rather it is a gradual process. Therefore, it is hoped that with time, manufacturing firms in Port Harcourt in charge of harnessing tacit knowledge strategies will adopt the tacit knowledge practices in positioning the firms to have competitive advantage in the market.

Innovation: Rogers (2003) in Agada (2017) defined innovation as "an idea, practice, or project that is perceived new by an individual or other unit of adoption." What is considered an innovation

in a sector A might have been invented, practiced and used some years ago in system B but it constitutes an innovation in system A because of the newness or novelty of the concept, tool, or technique in system A (Sahin, 2016). Although the use of some tacit knowledge harnessing strategies (strategic deputization, externalization, information sharing culture etc.) is still new and not fully adopted by manufacturing firms in Port Harcourt, these tools have been used for succession planning purposes and firms productivity in the past years in developed countries of the world such as USA, Canada, Germany etc.

Social System: Frank (2012) defines social system as “a set of interrelated units engaged in joint problem solving to accomplish a common goal”. Application of networking tools in the strategic deputization, externalization, information sharing culture etc. as communication tools in the firms in Port Harcourt in particular is a function of the social structure and attitude of administrative heads. In addition sharing culture can be used to enhance productivity resulting to product innovation and aid firms to gain competitive advantage in the market.

The justification for adopting this theory as one of the theoretical foundations of this work lies in its relevance to the independent variable (tacit knowledge harnessing strategies). The theory identifies the indispensable and undeniable place of tacit knowledge harnessing strategies such as strategic deputization, externalization, information sharing culture, etc. in firms and organizations especially manufacturing firms in Port Harcourt as a veritable tool for achieving organizational competitiveness in the manufacturing firms in the 21st century. We are in a product and services competition where innovation in the manufacturing firms is the driving force for hegemony hence the application of the tacit knowledge harnessing strategies will not only put firms in a competitive advantage but will be hegemony in the market dominating and controlling human consumption.

Empirical Review

Chen and Sherif (2015) examined the strategic importance of tacit knowledge management activities in construction company Parkistan. Purpose Tacit knowledge is perceived as the most strategically important resource of the construction organisation, and the only renewable and sustainable base for its activities and competitiveness. Knowledge management (KM) activities that deal with tacit knowledge are essential in helping an organization to achieve its long-term organizational objectives. The purpose of this paper is to provide empirical evidence for the stronger strategic role of tacit KM in comparison to explicit KM.Design/methodology/approach. A questionnaire survey was administered in 2005 to a sample of construction contractors operating in Hong Kong to elicit opinions on the internal business environment, intensity of KM activities as executed by targeted organizations, and contribution of these activities to business performance (BP). A total of 149 usable responses were received from 99 organizations representing about 38 per cent of the sampling frame. The statistical analyses helped to map the reported KM activities into two groups that, respectively, deal with tacit and explicit knowledge. The sensitivity to variations of organizational policies and strength of association with BP in relation to the two groups of KM activities were also compared empirically. A total of 15 interviews with the managerial and professional staff of leading contractors was undertaken to provide insightful narratives of KM implementations. Findings The effective implementation of organizational policies, such as encouraging innovations and strengthening strategic guidance for KM, would facilitate human interactions of tacit KM. Higher intensity of activities in managing tacit knowledge would ultimately help the organizations to achieve economic gain in the long run. Originality/value the stronger strategic role of tacit KM is empirically investigated and established within the context of construction organizations.

Akinyele, Ogbari and Dibia (2015) investigated succession planning and its impact on organizational survival in Nigeria. The purpose of the study is to find out the effect of succession planning on organizational survival: Empirical evidence of Covenant University. The data required for this study was gathered through the instrument of questionnaire, and personal interview. Fifty (50) copies of questionnaires were administered out of which forty one (41) copies were retrieved

and collated for the analysis representing 82%. However, the focus of the study were top and middle level management. The study adopted both survey and cross sectional research design. To achieve the objectives of the study, four hypotheses were formulated from the structure of research questions. Pearson correlation coefficient was used for testing these hypotheses. The result shows that there is a significant impact of succession planning on organizational survival. This finding details processes for transferring institutional knowledge and preserving institutional memory, and hence organizational survival. The study confirms that there is a positive impact of career development on organizational survival in Covenant University. Hence employees perceived the need for career development as a requirement for advancement, and meeting the succession needs of the institution, thereby ensuring the perpetuity and survival of the institution. The study recommends that: (i) that the management of the institution place more emphasis on talent management, so as to foster organizational survival, (ii) key importance and concern should be given to career development of employees in the institution, by all parties involved; the employer (Covenant University) and its employees, because of its significant impact on organizational survival, and (iii) the institution should endeavour to support mentoring; a mentoring culture should exist within the institution and its human capital or workforce, so that the institution would be able to compete and survive with the demands of this 21st century.

Amos, Komene and Kibet (2016) examined effect of knowledge management on firm competitiveness: testing the mediating role of innovation in the small and medium enterprises in Kenya. The objective of the study was to evaluate the role of innovation on the competitiveness of small and medium enterprises. The study examined knowledge management, innovativeness and firm competitiveness. The study is conducted on the results based on 252 small and medium manufacturing enterprise managers in Nairobi, Kenya. The data obtained from the questionnaires were analyzed using the SPSS statistical packaged software. The study results showed that knowledge management processes influence innovativeness positively, innovativeness enhances firm competitiveness while innovativeness is a mediator between knowledge management and firm competitiveness. The study recommended that knowledge management and innovation should be integrated to enhance firm competitiveness. The viewpoint proposed is that knowledge management is an important element for small and medium enterprises in today's dynamic and competitive environment.

CONCLUSION

Based on the analyses of data and discussion of findings, the study concluded organizations such as paint manufacturing firms in Port Harcourt, can achieve high level of competitive advantage over others if tacit knowledge strategies are properly employed. It was also concluded that strategic deputization, externalization and information sharing culture influences organizational competitiveness in terms of product innovativeness, satisfactory service delivery and outstanding brand image in paint manufacturing firms in Port Harcourt, Rivers State Nigeria.

RECOMMENDATIONS

Based on the findings of the study, the following recommendations were made:

1. Organizations should endeavour to select or appoint qualified individuals to deputized in their various units or place of assignment.
2. There should be a form of informal relationship that organizations should encourage to allow the less experience employee interacts with the high experience employees on issues outside work setting.
3. Paint manufacturing firms should encourage discussion of previous happenings of the organization which called job experience among employees this could make them solve similar problems when necessary.

4. When employee feel loved as a result of the informal relationships that exist with his or her employer, they become more committed. So, employer most treat employees well to enable them feel loved.
5. Sharing of job experiences among employees goes a long way in solving some minor issues in the firm, it should be greatly encouraged.

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