TACIT KNOWLEDGE MANAGEMENT IN SMES IN KENYA

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ABSTRACT

According to Michael Polyani (2002), a Hungarian-British polymath, Tacit knowledge is bi-structured with conscious and unconscious propositions. He emphasized that all employees needed a combination of theoretical and formal knowledge and experience, intuition, and spontaneous information. In SMEs, tacit knowledge is in the structure and relationship of people. This mixture allows them to know and act within the rules of the organization, and cope with changing conditions flexibly. Going by the established relationship between organizational competitive advantage and tacit knowledge, it is important to understand the tacit knowledge management strategies of the SME sector, which has been confirmed to be a major economic support for nations, irrespective of the development level. In developing countries such as Kenya, SMEs play a significant role in practically all economies, especially, with challenges relating to employment and income distribution (Ozkan et al., 2019, p. 1). In particular, the ability of SMEs in Kenya to compete is crucial to their economic success. Managing tacit knowledge will reduce the negative consequences of losing employees, preserve organizational memory, ensure continuity of performance, and reduce organizational knowledge gaps. These will, in turn, aid organizational competitive advantage (Adesina, A. O & Ochola., 2020).

With the above in mind, this paper discusses how SMEs in Kenya presently manage their tacit knowledge focusing on people and processes in order to develop a framework that will support tacit knowledge management. It looks deeper at SMEs as a key component of knowledge management and a matter of management philosophy about knowledge.

Keywords: Tacit Knowledge, tacit knowledge management, SMEs.

1.0 INTRODUCTION

Small and medium-scale enterprises (SMEs') contributions to global economies are unquantifiable, with varying margins across regions and countries. In Kenya, SMEs account for a larger share of private sector enterprises across various sectors of the economy. The sector accounts for 24% of GDP, over 90% of private sector enterprises, and 93% of the total labor force in the economy. Development of this sector is therefore central to the realization of national development goals anchored in the Kenya Vision 2030 while also offering opportunities for progress towards the realization of the regional and global policy commitments including the East African Community (EAC) Vision 2050, African union (AU) Agenda 2063 and the Sustainable Development Goals (SDGs) of the United Nations (Gok Sessional Paper no 05,(2020) SMEs have different structures and they develop a different pattern of behavior especially in adapting to the environment. They are also different in scope

and importance across industries and economic segments (Hashim, 2007). In Kenya, they operate in economic segments such as; manufacturing, services, and Agriculture making them a backbone of industrial development. (Gok, Economic Report, (2021).

Tacit knowledge management is one of the key pillars underpinning human capital strategy for SMEs while promoting a sense of belonging and contributing toward succession planning and workforce development (Liebowitz, .2011 p. xiv). In Kenya, efforts have been made to improve infrastructure for developing SMEs, building the capacity and capability of SMEs, and enhancing SMEs access to financing by First developing and implementing the SMEs subcontracting policy aimed at promoting the creation of strong linkages between large enterprises and SMEs whilst governing the contractual agreements between the two. This has boosted the growth of SMEs and also resulted in the growth of the value chains, catalyzing a more vibrant economy.

Secondly, SME innovation and patenting of innovation, inventions, and modifications signifies growth, however, very few (30%) SMEs have come up with new innovations within 3 years of their existence, according to a KAM study on Intellectual Property Rights. Tacit knowledge management is ultimately very crucial in SMEs. In fact, in the last few decades, there has been an increasing interest in the tacit dimension of knowledge (Pathirage et al., 2007) but yet still considered to be relatively unexplored and not fully understood. Tacit knowledge is the one that creates a competitive advantage for SMEs. The nature of knowledge in SMEs is almost all in tacit nature. According to Wong & Radcliffe (2000), tacit knowledge in SMEs is difficult to turn into explicit therefore sharing this tacit knowledge is the best to help improve SMEs' performance.

2.0 TACIT KNOWLEDGE MANAGEMENT PRACTICE

Tacit knowledge is the information we all possess that is gained from personal context and experience. Typically, it is the information that is difficult to articulate, write down, or deliver in a tangible format. Tacit Knowledge Management has a strong emphasis on employees (People) and the processes involved (Liebowitz, 2011, p. xv Knowledge management plays a crucial supporting role. Tacit knowledge comprises the thoughts of each human stakeholder, values, cultural beliefs, mental models, attitudes, skills, expertise, and capabilities. Due to the challenges in productively managing tacit knowledge, organizations that succeed frequently enjoy a competitive advantage

2.1 Knowledge Capture:

It is aimed at Identifying and filling tacit knowledge gaps. It involves auditing SMEs' currently available knowledge base. To ensure that it is comprehensive, practical, and helpful in decision-making. You can start with your organization's rules, manuals, processes, organizational culture, ethics, products, and codes of conduct. Keep in mind that tacit knowledge answers the question of why doing something a particular way is beneficial to the company.

3.0 METHODOLOGY FOR KNOWLEDGE CAPTURE (REIFBD PROCESS)

Schulz and Jobe (2001) point out that "One could argue that firms are codification machines" which, in far too many cases, may be true. Without a clear focus on what the knowledge capture system has to deliver; many firms charge down the path of storing everything within the knowledge capture system. The end result is often information overload. A proposed methodology for knowledge capture consists of six stages: recognize, examine, implement, filter, bank, and disseminate knowledge.

Recognize (R) the knowledge to be captured: To successfully capture the knowledge in an SME, then the SME must understand its core business strategy, understand what it doesn't know, and allow adequate funding. The source of knowledge could be internal and external to the SME. Internal could include the people/staff/employees, documents, contents from the internet, and apprenticeships, to name but a few. External knowledge could be from professional bodies, external seminars, workshops, etc. The next stage involves the examination of knowledge that has been identified from the different sources

Examine (E) the knowledge to be captured: According to (Zack, 1999) organizations that are managing knowledge effectively should understand their strategic knowledge requirements, devise a knowledge strategy appropriate to their business strategy, and implement an organizational and technical architecture appropriate to the organization's knowledge-processing needs.

This stage consists of three phases i.e establishing a strategy and objectives for knowledge capture in SMEs to enable them to exploit their knowledge and learning capabilities. The second phase entails determining the competencies and capabilities of the organization to articulate the link between the strategy of SME and what members at all levels need to know, share, and learn to execute that strategy and finally identify deficiencies and gaps in the organization.

Implement (I) appropriate tools (techniques and technologies): There are often ways to capture some information explicitly in SMEs, even where the core knowledge is of the tacit kind. Staff can be encouraged to put together notes about their work. These need not necessarily be comprehensive; they may be designed to highlight topics they are familiar with. Similarly, people can enter their details into a staff directory, spelling out their areas of expertise and areas where they can offer help. Writing short case studies of successful and unsuccessful projects can be encouraged. A facilitator to the project team could elicit tacit knowledge from the project team members, typically in the form of lessons learned, successes, and bittersweet stories. Other techniques could be used to extract knowledge, such as brainstorming, nominal group techniques, focus groups, qualitative text analysis, and task environment analysis. The knowledge capture process will have a direct impact on technology. Emails, video/teleconferencing, and the Internet/Intranet/Extranet could be used.

Filter (F) the knowledge: An SMEs' ability to either create information and knowledge or acquire it from various tools is checked with respect to Stage 2 in Figure 1, namely the 'examine stage'. Once captured, a knowledge bank tends to grow, reaching a point at which it begins to collapse under its own weight, requiring major reorganization. Its rejuvenation requires deleting obsolete content, archiving less active but potentially useful content, and reorganizing what remains. Hence, knowledge has to be collected and analyzed. Organizations could create

small priesthoods of knowledge administrators responsible for virtually all contents in the repository.

Before adding captured knowledge to a knowledge bank, an SME subjects it to value-adding processes of filtering and refining, such as cleansing, labeling, indexing, sorting, abstracting, standardizing, integrating, and re-categorizing.

Knowledge Bank (B): This stage bridges the stages 'knowledge filter' and 'knowledge dissemination'. Acknowledge banks could have a life cycle that an organization must manage. Liebowitz (2000) suggested four approaches: knowledge attic, knowledge sponge, knowledge publisher, and knowledge pump. The next stage comprises the mechanisms an organization uses to make a knowledge bank's content accessible.

Knowledge Dissemination (D): Relatively unsophisticated techniques such as text search are easy and cheap to apply; gather up a collection of documents and point a search engine at them. Organization's news would be an option for knowledge transfer that includes upcoming community events, recent successes and failures, and newly published best practices and lessons learned. Bulletin boards, portals, wireless devices, E-mail, Intranets, Extranets, and websites all help to improve communications between people and can assist in information management. Knowledge is perishable. The shelf life of expertise is limited because new technologies, products, and services continually pour in the marketplace. No one can hoard knowledge. People and companies must constantly renew, replenish, expand, and create more knowledge. This requires a radical overhaul of the old knowledge equation: knowledge equals power, so hoard it. The new knowledge equation is knowledge is equal to power, so share it and it will multiply.

3.1 Tacit Knowledge Update:

Once the knowledge is disseminated, new knowledge would be created and thus the six-stage process is considered to be an ongoing one. Henrie and Hedgepeth (2003) identify four pitfalls of the process: one of the pitfalls is the failure to maintain the Knowledge management system. As the SME's knowledge assets change, methods and procedures are required to update the system to reflect the new knowledge and to delete the invalidated knowledge sources. Getting a handle on the social and technical resources of knowledge in the organization is a necessary step. Certainly, knowledge capture is a big-picture issue. Deficiencies in knowledge capture expose the organization to the risk of not recognizing opportunities or threats. If it is not known where knowledge assets are and how they are being utilized, much of their potential value may be wasted. Organizations may need people to train users to critically interpret, evaluate, and adapt knowledge to new contexts.

3.2 Tacit Knowledge transfer in SMEs

Over time, SMEs develop tacit knowledge of the markets and customer groups with which they work, through the acquisition of new knowledge by an individual and through personal experience. Tacit knowledge can be transferred but it must be converted to explicit knowledge, first through codification Haldin-Herrgard, T. (2000) Knowledge, within an SME, is usually embedded in its routines, its structure, and its culture, and very often, knowledge is isolated in specific sections within organizations. If the organization is to benefit from the tacit knowledge

it 'owns', it needs to orientate its routines, structure, and culture to provide a social environment in which to exchange knowledge and disseminate it across the SMEs (Augier, M and Thaning Vendelo, M. (1999). SMEs contain rich sources of tacit knowledge, which can be found in their individual skills, habits, and abstract knowledge. It is often their unique selling. Tacit knowledge derives its ability to be used as a source of competitive advantage for SMEs Cavusgil. et al, (2003)

3.3 Tacit knowledge enhancement; e-learning for the transfer of tacit knowledge:

Enabling SMEs to acquire new ways in which to manage tacit knowledge and information can assist them to achieve competitive advantage. E-learning currently presents many possibilities and benefits for educationalists including enhanced access to learning; more flexible learning; extending the range of influence; and deepening the penetration for learning. The educator enters a world in which information and communications technologies, web design, educational design, delivery, support, assessment and educational marketing all converge.

Independent learners face a bewildering range of options in learning portals, accredited or no accredited courses, and in selecting from hundreds of thousands of options on the online learning market that can be delivered through their personal computers. This can, however, present a barrier to SME participation many owners/managers are confused by the array of opportunities and providers of e-learning and are skeptical of content suitability. It is important to take the correct focus. The "e" term has less to do with electronics and much more to do with the engagement of the learner; enhancement of learning; experience of exploration; ease of use; empowerment of the learner to control the learning schedule; and execution of the learning program. An effective method of knowledge transfer to SMEs, therefore, could be to focus on e-learning support through a managed network of partners. The implementation of a collaborative learning environment would add value and potentially overcome key problems. Whilst not all subjects can be delivered effectively through e-learning, one of the great advantages of it is that it can cater to each learner's preferred learning style by providing multiple paths to learning. The focus is moving away from formal accredited learning leading to qualifications and to output-related informal on-the-job training. The challenge is to harness, develop and fully utilize, the energy contained within the tacit knowledge repositories of SMEs since this provides the competitive edge for firms and allows differentiation in highly competitive markets which are increasingly global and homogeneous. E-learning needs to add value to the learning experience. The design and implementation of effective collaborative learning frameworks offer the opportunity to enrich management provided through the inclusion of industry and academic expertise in the form of mentors and to add social /networking opportunities. An effective mechanism for transferring knowledge and innovation to the SME sector is through distribution channels such as university business schools and associated networks that have existing client bases that can be influenced directly and could therefore increase the rate of e-learning adoption by SMEs.

4.0 CONCLUSION

Tacit Knowledge management SMEs is an integrated and complex social process. The effective implementation of knowledge management could reduce costly mistakes and ensure improved services to clients by the SMEs. Tacit knowledge, through an understanding of its transpersonal

component, could lead to more meaningful development of SMEs. Therefore there's an opportunity for engagement between universities and the SME sector through successful initiatives such as Knowledge Transfer Partnerships. These examples of best practices could be extended to provide creative intuitive learning solutions that maximize the mix of appropriate instructional devices and delivery techniques. The addition of "e" merely increases the range of options available through, for example, online tutorials; bulletin boards and discussion groups; collaborative learning activities; access to other content, such as online procedure manuals. With e-collaboration, an emerging field, government agencies, universities, and the private sector need to maximize their research effort in order to fully understand the social and cultural implications in order to offer effective solution that will allow SMEs to manage and develop their tacit knowledge resources effectively.

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