Chapter 32
Strategic Tacit Knowledge–Based Competitiveness

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ABSTRACT

By using the resource-based view as a theoretical framework, the purpose of this chapter is to explain the internal sources of competitiveness in Tunisian firms operating in the industry of Information Communication and Technology (ICT). In other words, how do firms within this industry build their competitive advantage and performance? Based on the results of the academic research undertaken in 2012 on a sample of 209 Tunisian ICT firms, the author explains how strategic tacit knowledge (seen as strategic resource) allows the firms to gain a sustainable competitive advantage and superior performance. In addition, it provides researchers with an empirical method to operationalize tacit knowledge appropriately, as well as competitive advantage and performance. It also focuses on the exploration of the relationship between these three variables, demonstrating that competitive advantage mediates the impact of tacit knowledge on performance. Finally, this chapter is considered an attempt to respond to criticism formulated against the resource-based view.

INTRODUCTION

The industry of information technology and communication (ICT) in Tunisia has experienced in recent years a profound change through the implementation of a coherent strategy for the development of the industry in line with technological and economic developments occurring on a global scale. Thus, strategic plans have developed in the context of five-year plans for economic and social development (see Table 1). The industry of information technology and communication in Tunisia is regulated by the Ministry of Communication, Technology and Transport, which is responsible for the establishment of a regulatory framework governing the industry, its planning and control. I.T.C industry is composed of more than 1,800 companies (800 SSII, 500 systems integrators, 600 distributors and resellers), 219 shared service centers employing 17,500 people, 3,000 to 4,000 jobs created per year, 12 internet service providers serving the entire country, 8 development centers serving multinationals, a teledensity of 98.8 lines per

100 inhabitants, over 3 million internet users with an annual growth of 38%, 184 certified auditors in computer security, 7 cyber parks spread across several regions and 7 others nearing completion (Source: API: Agency for the Promotion of Industry and Innovation). Hence, Tunisian ICT industry is amongst sectors with high mobility of knowledge and strong competitiveness.

Despite the importance of the ICT industry in the Tunisian economy and apart from some economic aggregates communicated by official instances, few academic researches focused on the exploration and explanation of the competitiveness of firms that compose it. Taking the resource-based view as a theoretical framework and based on the results of our academic research undertaken in 2012 on a sample of 209 Tunisian firms operate in the industry of information technology and communication (ICT), we explain the competitiveness of these firms focusing on the heterogeneity of their strategic tacit knowledge.

This chapter is a response to the following questions:

- Is tacit knowledge the key resource to achieving a sustainable competitive advantage (SCA) and performance?
- Does competitive advantage mediate the impact of tacit knowledge on performance?
- Is there a method to measure tacit knowledge appropriately?
- How to measure SCA and performance of ICT firms?
- Is the resource-based view a tautological approach?

THE 2012 ACADEMIC RESEARCH

The resource-based view has been formalized to resolve deficiencies of the Structure-Behavior-Performance (S.B.P) paradigm which explains the firm's performance by the structure of the competition (number of competitors) and by the competition's intensity. Porter (1985) has applied this paradigm "assumptions" to the firm's strategy, and he formalized the five forces whose mastery determines the performance of the firm (threat of substitute products, the threat of established rivals, the threat of new entrants; the bargaining power of suppliers, the bargaining power of customers). Porter (1985) has also claimed the partial opening of the organizational black box by defining canvas of firm's management (cost leader-

Table 1. Performance and future goals of ICT sector

Aggregates of the ICT sector	10th Plan 2002-2006	11th Plan 2007-2011
Average annual growth rate of the sector's value added (%)	20	17,5
Contribution of the ICT sector to GDP	8	13,5
Volume of Investments (million dinars)	5302	6300
Telecommunications	3204	3856
Information Technology (IT)	2098	2444
% of ICT investments	13,1	10
Job creation in ICT (in thousands)	30	50
ICT share in total job creation (%)	8	11,7
Value of exports of the ICT sector (Millions of dinars)	220	350

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