

## Chapter 6

# Institutionalization of Informal Learning Behaviors for Effective Tacit Knowledge Management

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### **ABSTRACT**

*As tacit knowledge is not delivered by written and verbal language, formal training has limitation for tacit knowledge management. Yet, informal learning featuring social interaction provides useful explanations for tacit knowledge sharing and creation. To effectively manage and support informal learning, firms informal learning behaviors to promote benefits of informal learning and to overcome its limitations. Workplace learning activities such as formal mentoring/coaching, on-the-job training, and communities-of-practice are originally informal learning behaviors but now extensively used as formal learning in the workplace. Institutionalized informal learning, despite its benefits, have still some concerns as its formality compensates employee's spontaneity determining the learning effectiveness. This chapter establishes a conceptual framework of institutionalized informal learning by reviewing the extensive literature. This chapter also proposes implications for future practice and research on institutionalization of informal learning.*

### **INTRODUCTION**

Tacit knowledge has been considered a critical factor for an organization's success and innovation in an uncertain and competitive environment. Yet, it is not easy for individuals and organizations to effectively share and manage tacit knowledge within their organization because of its dynamic and complicated process (Leonard & Sensiper, 1998; Nonaka, 1994; Smith, 2001). Unlike explicit knowledge, described as language and documentation, tacit knowledge is embedded in experiences and practices at work (Leonard & Sensiper, 1998; Nonaka, 1994; Smith, 2001). It suggests that transfer and/or expansion of tacit knowledge considerably depend on social interaction among individuals in an organization (Leonard & Sensiper, 1998). Social interaction is representative of how informal learning occurs (Eraut, 2004;

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Marsick & Volpe, 1999), which means that informal learning can effectively explain a process in which tacit knowledge is acquired, shared, and created. Although firms recognize the importance of informal learning for knowledge management and make various types of efforts to promote informal learning, its invisibility and immeasurability bring about some limitations - for example, unexpected outcomes and inefficiency in learning time (Jacobs, 2003).

In order to overcome limitations and enhance effectiveness of informal learning, many organizations provide institutionalized types of informal learning behaviors (Marsick & Volpe, 1999). Learning and development strategies, such as formal mentoring, formal coaching, and structured on-the-job training, are widely used as formal learning programs, but they are originally based on informal social interaction. However, there are still some concerns about institutionalization of informal learning behaviors, despite the prevalent use. The institutionalization of informal learning demands mandatory participation in learning programs, which is in conflict with spontaneity of informal learning, resulting in ineffectiveness of institutionalization of informal learning behaviors (Eddy, D'Abate, Tannenbaum, Givens-Skeaton, & Robinson, 2006). Therefore, institutionalization of informal learning requires a careful and strategic approach for effective and successful knowledge management.

This chapter aims to develop a conceptual framework to better understand how informal learning behaviors can be supported and promoted for effective tacit knowledge management, consequently contributing to an organization's success and innovation. To that end, this chapter conducts an integrative literature review on the following topics: 1) concepts of tacit knowledge and its relationship with informal learning, 2) definitions and characteristics of informal learning, 3) benefits and limitations of informal learning, 4) institutionalization of informal learning behaviors as a strategy for effective tacit knowledge management, 5) potential benefits and concerns of institutionalized informal learning, and 6) current research on the institutionalization of informal learning. This review concludes with establishing a conceptual framework of institutionalized informal learning and provides some implications for future research and practice based on the findings.

## **TACIT KNOWLEDGE AND INFORMAL LEARNING**

Increasingly, knowledge creation, either tacit or explicit, is a critical factor for organizational competitiveness and innovation (Nonaka, 1994; Nonaka & Takeuchi, 1995). Both tacit and implicit knowledge play a more critical role in knowledge creation, in comparison with explicit knowledge (Nonaka & Takeuchi, 2008). Since Michael Polanyi (1958; 1967) pointed out two conflicting attributes of knowledge, i.e., tacit and explicit, the importance of tacit knowledge has been repetitively discussed in social science literature. Explicit or codified knowledge indicates 'knowledge that is transmittable in formal, systematic language (Nonaka, 1994, p.16),' whereas tacit or implicit knowledge refers to knowledge having 'a personal quality which makes it hard to formalize and communicate (Nonaka, 1994, p.16)'. Explicit knowledge can be much more easily transferred and managed at the organizational level than tacit or implicit knowledge. Given the importance of tacit/implicit knowledge for organizational competitiveness, it is considerably important to transform tacit or implicit knowledge, embodied in personal cognition and behaviors, into explicit or codified knowledge during the knowledge creation process, so that individual knowledge can be shared and extended into organizational knowledge (Nonaka, 1994).

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