Chapter 13 Sharing Managerial Tacit Knowledge: A Case Study of Managers Working in Malaysia's Local Government

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ABSTRACT

This chapter analyses the practices of sharing managerial tacit knowledge, which has been the preferred approach by local government managers in Malaysia. The data is based on the findings of question-naires distributed among 308 middle managers. The chapter focuses on the government's concern around knowledge and the importance of sharing tacit knowledge in order to reduce knowledge loss. The insights of this chapter have important implications for national and local governments in other empirical contexts. In particular, knowledge sharing practices can help management to share managerial tacit knowledge before staff retire or move to other departments and organisations. This is vitally important because if organisations are committed to investing in their human capital through attraction, retention and development initiatives then it is equally important that they are committed to strategies to capture knowledge.

INTRODUCTION

Knowledge is a valuable asset for all organisations, with intangible knowledge being an important component of an organisation's entire knowledge base (Alwis & Hartmann, 2008). Intangible knowledge assets are built up over time in people's minds, practices and social relationships (Holste & Fields, 2010). However, knowledge management (KM) also includes managing tangible intellectual capital such as copyrights, patents, licenses, royalties, data gathering as well as organising and sharing the organisation's

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information and knowledge assets, creating work environments to share and transfer knowledge among workers and leveraging knowledge (Smith, 2001).

This study of tacit knowledge is important because it is related to practical intelligence and employee behaviour that is acquired through experience (Wagner, 1987). Consequently, individuals in possession of tacit knowledge are able to do work productively. Thus, measures of tacit knowledge should be particularly useful in explaining individual differences in job performance that arise from the processes of learning and practice (Hedlund et al., 2003).

Sharing knowledge is particularly relevant today because employees must keep pace with a rapidly-advancing knowledge economy in which employees often know more about the practiculities and operations of their organisations than their line managers (Maccoby, 2009). Hence, knowledge is of critical importance and knowledge sharing becomes a mechanism for sharing personal knowledge with others, which in turn can enable employees to develop skills and competences. Knowledge sharing also arguably enables employees to place an increased value on their work (Spender, 1996), leading to new innovation and improvements in job performance as well as products and services (Wang & Wang, 2012).

Therefore, the characteristics of knowledge management can be seen in how knowledge sharing (either tacit or explicit) increases people's learning and productivity. Knowledge sharing refers to a type of activity associated with learning processes that involves people sharing knowledge with others (Smith, 2001). Knowledge sharing is particularly pertinent with tacit knowledge because participants must feel comfortable sharing their mental models, values and beliefs, tentative thoughts and intuition, which otherwise may not benefit others beyond the individual in question (Nonaka, Toyama & Nagata, 2000).

The purpose of this study is to provide an insight into the situation of knowledge sharing practices with the overall objective of assisting public administration in the development of an effective mechanism for sharing tacit knowledge. Public sector successes are influenced by many factors, not only financial but also human (Boyne, 2002). Managing human intelligence has become a key strategy and a competitive resource (Yusoff, 2005) in the knowledge age because an individual who has knowledge contributes to the success of an organisation through work productivity (Ipe, 2003).

This is one of the first attempts to analyse the sharing of managerial tacit knowledge in the context of Malaysia, and particularly in Malaysian local government. The study explores the knowledge sharing practice through which tacit and explicit knowledge are captured, acquired and passed on to others in order to develop the capacity of managers. This is important because in an era of resource constraints, losing knowledge can have a costly impact on the organisation.

EVOLUTION OF KNOWLEDGE

The concept of organisational knowledge has been widely discussed by experts such as Polanyi (1966), Nonaka and Takeuchi, (1995), and Davenport and Prusak, (1998). The concept of knowledge was originally defined by Plato as 'justified true belief' and this definition is still accepted by most Western philosophers (Small & Sage, 2005). In 1945, Hayek highlighted the importance of knowledge for the guidance and governance of society, although the full importance of knowledge was not as yet clear (Hayek, 1945). The understanding of knowledge increased when Romer (1986) explained the relationship between economics and knowledge. Knowledge is the underlying factor that fuels performance, progress and economic growth, either locally, nationally or globally (Romer, 1990). Drucker (1969) described the

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