Chapter 7.19 The Influence of Emotional Intelligence on Tacit Knowledge Sharing in Service Organizations

Abdul Kadir Othman Universiti Teknologi MARA (UiTM), Malaysia

Hazman Shah Abdullah Universiti Teknologi MARA (UiTM), Malaysia

EXECUTIVE SUMMARY

The challenge of knowledge management is to generate, share, exploit and renew knowledge faster than competitors. To achieve sustainable competitive advantage, the knowledge management strategy is to develop and share tacit knowledge so that organizational capabilities rest in many, if not all, employees. In team-work environment, emotional intelligence, trust and organizational citizenship behavior are crucial to tacit knowledge sharing. Emotional intelligence as the ability to control one's and others' emotions, among other abilities, will facilitate the sharing of high value tacit knowledge, of work and clients, among team members. The road to a trusting relationship is marked by inter-personal understanding and empathic communication between members leading potentially to organizational citizenship behavior. Organizational citizenship behavior which manifests the employees' commitment to the job and organization is a significant mediator in tacit knowledge sharing. However, the role of emotional intelligence in facilitating tacit knowledge sharing is constrained by the type of service environment, i.e. professional, service shop and mass service which limits the scope for tacit knowledge sharing. This chapter offers several testable propositions to explain the influence of emotional intelligence on tacit knowledge sharing in service businesses.

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INTRODUCTION

Emerging economies are the countries that have restructured their economies to allow greater opportunities in trade, technology transfer and foreign direct investments. China, India, Indonesia, Brazil and Russia are among the biggest emerging economies while countries like Malaysia, Mexico, Argentina, South Africa, Poland, Turkey, and South Korea are also considered as emerging economies. These countries have made critical moves from a developing country to emerging economy due to rapid economic growth. One of the fundamental elements to sustain the economic growth is to properly manage knowledge in organizations since this serves as the catalyst for innovation and creativity (Rebernik & Sirec, 2007). At corporate level, competitive advantage can be obtained when a company values its tacit knowledge (Alwis & Hartmann, 2008) as inimitable resource, which can differentiate a company from the rest.

Realizing the huge benefits that can be obtained from tacit knowledge sharing, authors and researchers have attempted to investigate how tacit knowledge can be shared among the organizational members. However, technology driven paradigm of knowledge management has failed to deliver the promised benefits (Gilmour, 2003). Hansen, Nohria and Tierney's (1999) codification strategy is not a viable option for firms with high tacit knowledge. Of course, this strategy is very successful when dealing with explicit knowledge. Tacit knowledge sharing, as the essence of the knowledge management implementation, is much related to the human aspects specifically the attitudes and behaviors of organizational members (Gilmour, 2003). Although research efforts have been directed at describing the human role in knowledge sharing (Haesli & Boxall, 2005), none has come out with a generic explanation of emotion and how it affects tacit knowledge sharing among organizational members particularly in service organizations. Therefore, this chapter is meant to bring together previous works on EI and tacit knowledge sharing into a cohesive framework with service types as moderators and team affiliation and organizational citizenship behaviors (OCB) as the mediators.

DEFINITION OF KNOWLEDGE

Davenport and Prusak (1998) defined knowledge as "a fluid of framed experience, values, contextual information, and expert insights that provides a framework for evaluating and incorporating new experiences and information. It originates in and is applied in the minds of knowers". Nonaka and Takeuchi (1995) defined knowledge in a broader perspective which is "a dynamic human process of justifying personal belief toward the truth". Two types of knowledge reside in an organization - explicit and tacit knowledge (Nonaka, 1991). Explicit knowledge is knowledge that can be codified therefore it is easily shared and communicated via organization databases, hence making it available to all members of the organizations. Explicit knowledge also refers to rationalized knowledge which is general, context independent, standardized, and public (Weiss, 1999).

Tacit knowledge comprises mental models, beliefs and persuasions of each employee that are so deeply rooted within the individual and is difficult to express in words. Tacit knowledge also refers to embedded knowledge which is context dependent, narrowly applicable, personalized, and may be personally or professionally sensitive (Weiss, 1999). It sometimes refers to practical intelligence (Wagner & Sternberg, 1985), common sense (Sternberg, 1985) or street smart (Horvath et al., 1994). Tacit knowledge is seldom communicated and hence, seldom shared because it is subjective and intuitive in nature and it is lost when the employee possessing it leaves the organization. Examples of individual tacit knowledge are self-motivation, adaptability and flexibility and customer service experience, which generally

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