Unusual and refreshing perspectives on an undervalued topic with in-depth and insightful case studies from both industrialized and emerging economies. The novel integrating model, illustrating how knowledge at different levels can be transferred and created, will be useful to managers, students and scholars.

Nancy K. Napier, Professor of International Business and Executive,
Director of the Centre for Creativity and Innovation at Boise, State University, USA

In this well-researched and adroitly reasoned book, Holden and Glisby expose with clarity and precision a number of fundamental misconceptions about the role of tacit knowledge in cross-cultural organisations. Using enlightening examples from contemporary case studies and utilising philology and linguistics in their analyses, this unusual team of a world-renowned academic and an insightful business manager has produced a rare business book that will grip you with its insights and prompt you to think more deeply about tacit knowledge in action in global organisations. The conceptualising is fresh, with some innovative ideas clearly explained, so students at all levels and practising managers interested in knowledge management and/or cultural topics will be thoroughly engaged and enlightened.

Professor Carole Tansley,
Director of the International Centre for
Talent Management and Leadership Development,
Nottingham Business School, Nottingham Trent University, UK

In academic management literature there is a never-ending discourse on rigor vs. relevance, and most authors agree that it is rather difficult, if not impossible, to combine both in one particular piece of work. It appears that Holden and Glisby have proved that thesis wrong – a nowadays unique collaboration between the academic and the practitioner has produced an immensely interesting, academically sound, and practically relevant book dedicated to the issues of tacit knowledge and its implications in various cross-cultural scenarios. This book's special appeal to both academic professionals and practicing managers creates an unprecedented learning environment for these audiences by immersing them into the real world situations, where tacit knowledge is created, transferred, stored, and used.

Professor Vlad Vaiman, Director of the Graduate International Business Program,
Reykjavik University School of Business, Iceland, and the
Executive Editor of the *European Journal of International Management* (EJIM)

This book is a refreshing and important addition to business literature. The fact that it is written together by an academic and a business person is in itself novel. This cooperation has produced a relevant book which adds insight and credibility to tacit knowledge, a difficult and truly significant topic in our current global, knowledge-based and dynamic environment. I not only recommend this book to academics and business people, but also hope it encourages others writers to combine academic and business interests to produce more work with timely content, relevance and rigor.

Heikki Rinne, PhD, CEO,
Halton Group Ltd and former Dean of the College of Business,
California State University, USA

Creating Knowledge Advantage

The Tacit Dimensions of International Competition and Cooperation

Nigel Holden and Martin Glisby

Copenhagen Business School Press

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FOREWORD

Christine van Winkelen
Knowledge Management Forum, Henley Business School,
University of Reading, UK

I was delighted to be approached by Nigel Holden and Martin Glisby to write this foreword. I think that they have written a timely and much needed book. I hope it stimulates a discussion about what tacit knowledge really is, our need for a new way of thinking about knowledge sharing across cultural boundaries and the contribution of knowledge management in a global economy.

In writing this foreword, I have been conscious of the approach used in the rest of the book: to combine theory with reflection on real experience. The authors start with theory and build towards four substantial case studies, reflecting on these and the insights they provide at the end. I am going to start the other way round with a story about a situation when I personally feel that I gained some level of genuine understanding of another culture. I need to start the story by outlining my own cultural context. I am British (my surname comes from marrying a Dutchman) and have lived in the UK all my life. I have worked for British, US and Canadian owned multi-nationals and worked with colleagues and students from around the world throughout my career, which was first in business and then linked to various UK business schools.

While I was the Director of the KM Forum based on the Henley Business School in the UK, I was invited to speak to members of a similar Forum at the KAIST business school in Seoul in South Korea. I was treated with great courtesy throughout my visit and made to feel very welcome. There was almost a full day of unscheduled time before my flight home and a post-graduate student who had spent time in the UK was asked to show me the important cultural sites of the city. We duly visited key museums, traditional restaurants and busy markets and he provided me with excellent factual information and explicit knowledge about all of this. Even so, I believe that I learnt most from sitting in the museum cafes and in the restaurants talking with him about what we had seen of the history of the country and its politics, and also about his family, his hopes and his expectations.

Why do I think this worked so well in giving me what I have deliberately (and conservatively) called 'some level of genuine understanding' of the culture?

Well, at a technical level, my guide had lived in the UK so not only was his English excellent, but he could also begin to see what we were looking at through my eyes. Chapter 3 of this book explores the concept of translation and links it to knowledge transfer. I think that he could genuinely translate for me. We were also (almost) outside of formal settings, expectations and hierarchies and I believe that we had time for genuine mutual respect and rapport to develop, creating the trust which is the basis for meaningful knowledge sharing (discussed in chapter 9). The experience motivated me to learn more about the culture and the country and I even contemplated learning the language (it is a fascinating and unique language, if you have an interest in linguistics).

Despite this experience, can I claim that I have any kind of substantial understanding of the cultural perspective of South Koreans? Clearly not. I am in no way fitted to live or work effectively and productively in their culture. Yet, as the authors of this book point out on several occasions, the cultural briefings offered to many managers before they work in a new country are often much less substantial than the experience I have just described.

I think that this matters now and will matter even more in the future. At a very fundamental level, this is because we need to create, share and use knowledge together and this means that we need to establish common cognitive ground, or in colloquial English 'we need to get on the same wavelength'. I believe, as do the authors of this book, that knowledge management has a substantial part to play in this. Through a model of 'KM's golden triangle', they explore the interplay of knowledge management, tacit knowledge and language. The first three chapters make a valuable contribution in challenging us to think about how language shapes the ways that we can find common cognitive ground, as well as creating inherent constraints on translation. It is my view that we need both more research into this and a dialogue about practice within the management communities around the world.

At this point, it seems reasonable to stop and question the assumption I presented in the last paragraph. Why do we need to create, share and use knowledge together in new and more effective ways and does this mean that we need to work any differently to the way that we have worked in the past? These are big questions and I can share only a few thoughts here; my colleague Jane McKenzie, Professor of Management Knowledge and Learning at Henley Business School, and I developed our thoughts on this in a book we published a few years ago (McKenzie and Van Winkelen, 2004) and which Nigel Holden and Martin Glisby reference in later chapters.

Few people would deny that there has been a period of intense social, political and technological changes across the world in recent years. One of the consequences has been a massive increase in the 'reach' of many organisations way beyond their home roots. An inter-connected, fast moving world means that

organisations now need to relate more proactively and constructively with customers, suppliers, partners and competitors not only outside their own boundaries, but from a multiplicity of nations and cultures. Learning, collaboration and innovation through participation in a multifaceted 'Value Universe' (Allee, 2000, Carillo, 2006) have become key drivers of performance in many industries. In this intensely interconnected world, organisations not only need to be able to share information efficiently and transfer explicit knowledge effectively, they also need the capacity to appreciate the values and priorities of these varied and diverse stakeholders, which inevitably include a substantial component that is hard to put into words, in other words tacit knowledge.

If this is what it is like today, all the indications are that this will become even more important in the future. Recently, I was involved in working with eighteen knowledge management practitioners from large organisations on research that used scenario planning to look at 'possible futures' (van Winkelen and McKenzie, 2009). Through exploring trends in the knowledge economy and in the relationships of firms with knowledge workers, one scenario emerged that reflected a significant evolution of how we have come to view organisations. In this scenario, individuals, groups and organisations will negotiate common areas of interest before becoming involved together in something approaching a partnership. Learning and competitive agility will emerge from networks of individuals and groups coalescing around shared objectives. Relationship capital will become the basis of value generation, while 'light touch' structural capital (rather than rigid processes and systems) will create coherence and identity. This was perhaps the most extreme of the three scenarios that we developed, yet there was evidence that some industries are already on the path towards this future. Looking across all the scenarios, we created a picture of what we described as 'third generation knowledge management' (McKenzie and van Winkelen, 2008). In summary, this argued that knowledge management needs to evolve '*to incorporate the full potential of the organisation's network of external connections, placing ever more emphasis on integrating relational capital in new and creative ways to enhance human and structural capital*'.

If we need the book that Nigel Holden and Martin Glisby have produced for today's business world (and I think we do), then we certainly need it if we are to start the evolution towards third generation knowledge management. We need a much better understanding than we currently have about how to build relationships across all kinds of boundaries, including cultural boundaries. The tacit knowledge embedded within a culture is the basis for knowing how to make things work there, and even knowing what will work at all. The cases provided in this book provide valuable insight into what this evolution might involve in an international, cross-cultural business world. They don't lead to easy answers or bullet point lists of actions. However, they provide food for thought, insights

into issues and, I hope, the basis for discussion and debate amongst knowledge managers, MBA student groups and practicing managers.

Becoming open to new ways of thinking seems to me to be essential if we are to make progress in working together differently. It is likely that we need to pay attention to developing new thinking capacities in individuals, as much as considering what organisations as a whole might do differently. In chapter 10, Nigel Holden and Martin Glisby propose a model of *network knowledge creation*, envisaged as a spiralling process between three levels of the organisational system: individuals, organisations, and networks of organisations. At the individual level, the authors suggest in chapter 9 that talent management programmes should include the search for 'tacit knowledge orientation' as a starting point for identifying people with a 'developable capacity for cross-cultural relationship management'.

Without doubt, new kinds of thinking capacities are needed by decision makers who operate in more complex organisational contexts. The widening range of alliances and partnerships with other organisations and the variety of contractual relationships with individuals, make it more difficult than ever to determine what a 'good' decision looks like, particularly in rapidly changing cross-cultural environments. It becomes ever more difficult to take account of the wide range of perspectives and values that are involved. Recent research has tried to develop a model of the thinking capacities that strategic decision makers need to bring to bear in conditions of uncertainty, ambiguity, and contradiction (McKenzie et al., 2009). The emphasis that this model places on personal reflection, engaging collaboratively with diverse stakeholders and looking for ways to integrate multiple perspectives through a deliberate process is similar to Snowden and Boone's (2007) recommendations for the style of leadership that is needed in complex contexts. A 'tacit knowledge orientation' would certainly be a valuable component of these thinking capacities and leadership style.

I have already mentioned that I was the Director of the KM Forum at Henley Business School in the UK. Over the five years that I was in this role, I became a passionate advocate for relevant business and management research. The KM Forum is a community of KM practitioners that co-develops and carries out an ongoing programme of applied research into aspects of KM. The applied nature of the research does not mean compromising intellectual rigour, but it does mean also thinking about how the ideas generated can be used in practice. All too often, rigour and relevance are not considered as equal partners, largely because this can be difficult to do and there are various inherent tensions.

Discussion of the issue of the relevance of management research has continued since Starkey and Madan's report 'Bridging the Relevance Gap' (2001), without a clear conclusion being reached as to either how best to achieve it, or indeed how to know whether it has been achieved. Research at the Henley Busi-

ness School (McKenzie and van Winkelen, 2008) has shown that the concept of relevance is not straightforward. Many dimensions seem to be involved: personal relevance to the individuals involved, as well as relevance to their organisations; an expectation of short term applicability, and the emergence of opportunities in the future; the direct application of tools processes and techniques, and the indirect application of learning and capacity building to understand and make sense of future situations. The structure of this book and the backgrounds and experience that Nigel Holden and Martin Glisby, an academic and a consultant, have brought together through their collaboration sets out to produce just such a balanced, rigorous and relevant contribution. I suspect that the relevance of the ideas and illustrative cases presented in this book will unfold in a multi-faceted way in the coming years.

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focus is on forming a 'bridge' between academic and practitioner aspects of knowledge management. She has published extensively in academic and practitioner journals, co-authoring *Understanding the Knowledgeable Organization: Nurturing Knowledge Competence* with Professor Jane McKenzie, published by Thomson Learning in 2004. Christine also tutors strategy, knowledge management and research methods courses on MBA programmes at UK business schools. Previously, she spent fifteen years working in high technology multinational companies in a variety of product management, human resources management and scientific research capacities.

INTRODUCTION

> 'How important is tacit knowledge to you and the way you handle relationships?'
> 'Oh, very important', replied the well-travelled manager, surveying Seoul from his office on the twenty-fourth floor of the Kyobo Tower.
> 'Can you give some examples?' we enquired.

The well-travelled manager opened his mouth and produced no sound, much less an example. This tiny episode perfectly represents Michael Polanyi's (1967) famous dictum 'we know more than we can tell', whilst highlighting a strange problem: we are unable to spontaneously articulate knowledge that we take for granted. And with this episode we launch this book – yes, yet another book on knowledge management (KM), but one with some important differences, as will become evident. Our nominal focus is tacit knowledge and its role in cross-cultural business relationships.

THE BOOK CONCEPT IN BRIEF

From the very conception of the book we were concerned that tacit knowledge tends to be seen as a somewhat static organisational resource and not as an elusive, mutable resource that resides in practices, which are products of, as well as influence, cross-cultural interactions within arrays of corporate networks. We were aware, too, that there exists a tendency to view tacit knowledge as a conceptual opposite of explicit knowledge and to undervalue and misappreciate it for its very lack of specificity. Yet, for all that, tacit knowledge is variously viewed – indeed glorified – by some as a key to competitive advantage, a mysterious flux that facilitates innovation, and even as management's Holy Grail.

To test these and other contentions, we proposed to gather material from several internationally operating corporations about many kinds of cross-cultural situations in which tacit knowledge exercises, directly or indirectly, consciously or unconsciously, a significant influence. In the interviews we conducted we explored various kinds of knowledge assets, particularly of the experiential variety. The companies are involved in different business sectors and differ in size, degree of internationalisation – both geographically and attitudinally – as well as in the number of cross-cultural knowledge-sharing experiences, which provided our bedrock information.

The biggest company by all general criteria is the DENSO CORPORATION, Japan's leading supplier of electrical and electronic automotive components.[1] The main theme we explore is the transfer of technical knowledge from Europe to the company headquarters in Europe, but we also highlight the challenge of communicating the essence of the corporate culture, enshrined as DENSO Spirit, from Japan to the outside world. The theme of communicating corporate culture from a cross-cultural knowledge-sharing perspective is explored through four case studies. In another case study we focus on Novo Nordisk, Denmark's leading healthcare company. We describe the highly sophisticated way in which the Novo Nordisk 'Way of Management', as a business philosophy and set of precepts, is diffused throughout the company's eighty worldwide subsidiaries and affiliates.

Ole Lynggaard Copenhagen is Scandinavia's leading creator and supplier of jewelry. In the Ole Lynggaard Copenhagen case study we describe co-author Martin Glisby's knowledge-based methodology for entering the Japanese market and securing a permanent foothold there. Our opening case study is about a Shanghai restaurant and retail concern, called Simply the Group. Among other things we explore how the company fuses all manner of knowledge from Asia and Europe to provide customers with a life-enhancing palette of gastronomic, aesthetic, and visual experiences. All of these companies have provided us with hard and soft information as well as impressions of the kind of knowledge assets that they create and deploy to maintain their market positions. When it comes to the more elusive of these assets, which become entangled with factors of culture and language, we are uncertain to what extent we can call them 'tacit': an issue we wrestle with throughout the entire book.

In any case, we found that almost all the managers we interviewed were – unlike our well-travelled manager in Seoul – unfamiliar with the distinction between tacit and explicit knowledge. Accordingly, we asked our informants to describe their cross-cultural encounters with 'soft knowledge', which we described to them as a general container for human factors, experience, intuitions, etc. Soft knowledge, for all its terminological vagueness, did not create problems with our informants. We conducted all of the interviews in the UK, Denmark, China, Korea, and Japan between 2007 and 2009, and by the time we were finished it was clear that we were exploring what can best be described as cross-cultural relational knowledge.

When it came to writing-up our research, we were all too aware that the very act of describing the tacit was to formalise it and therefore render it into something explicit, or at least more explicit. With every step something was being lost in translation! In the way that the book has developed we have tried to be ingenious about preserving some of the essence of the tacit. However well or badly we have succeeded, our book contributes to the literature on knowledge-based

theories of the firm, and we share the conviction that this particular theory 'differs from all previous theories in that it must grasp the un-understood' (Spender and Grant, 1996). Our book will explore many things that we believe belong to the great realm of the unexplained in management practice as well as management education. Examples will be underpinned with fertile facts: which is to say, facts that allow one to see the wider picture from unexpected vantage points.

The reference to management education is meant with great seriousness. Your two authors are a professor of management (Holden) and a company director (Glisby). Both of us are conscious of the unreality that permeates so much teaching and discussion about international management in business schools worldwide. Entire countries become abstractions, the inhabitants stereotypes. Entire foreign behaviours and ways of thinking are described in conformity with ethnocentric intellectual frameworks. What does not fit is simply ignored. Yet what is ignored may be something really important: the precious fertile fact among the accumulated thousands of sterile ones that throws things into wholly unexpected relief, vouchsafing insight.

Out of such convictions, rather than out of a desire to prove that it is an intangible source of almost magical potency, we were curious to discover in what ways tacit knowledge can be instrumental in creating advantage in diverse ways in cross-cultural contexts: from organisational development to market entry, from cross-cultural knowledge sharing to societal education, which in this instance happens to be China. The fact that our book is called *Creating knowledge advantage* suggests we believe our title to be justified. Our case studies make absolutely clear that competitive advantage does arise from exploiting tacit knowledge, but it is equally the case that tacit knowledge is a major resource created and used by people in organisations to enhance cooperation and organisational learning. It is for this reason that our subtitle refers to competition *and* cooperation.

But problematically for some people, our insights are not readily presentable in bullet-point form, because they are connected to situations and contexts from which they cannot be inferred. This state of affairs is of course directly due to the nature and effects of tacit knowledge. We are after all dealing with 'a myriad of knowledge sharing activities continuously but in disparate contexts' (Harorima, 2010). The number of potentially valuable factors that we might examine is virtually limitless and they do not lend themselves easily to compression and generalisation if we are to extract meaning from contexts.

There may, incidentally, be some people who say that a mere four case studies, no matter how diverse, cannot highlight an adequate range of experiences out of which to describe a phenomenon as polymorphic, elusive, and yet universal, as tacit knowledge. This is a valid reservation, but we believe that we still have important things to say about this strangely neglected intangible resource.

Our consolation is that more than thirty years ago a famous paper on the internationalisation of the firm was published, using data gathered from four Swedish companies (Johanson and Wiedersheim-Paul, 1975). This influential paper is still being cited in scholarly studies today. History has shown this to be a timely piece of writing. Perhaps our book will enjoy similar good fortune.

THE STRUCTURE OF THE BOOK

Four chapters follow this introduction and precede the presentation of the four cases. In chapter 1, we review the propositions of KM as a philosophy and practice, and summarise the current thinking about tacit knowledge. On the way, we study the etymology of the word 'tacit' and discuss how the term 'tacit knowledge' is rendered in various European and non-European languages. The Japanese variation is not only fascinating semantically, but will also serve as one of our frameworks for elucidating tacit knowledge. Chapter 2 discusses the role of language and languages in knowledge creation and sharing in cross-cultural contexts. In chapter 3, we draw an analogy between knowledge transfer and interlingual translation. We believe the parallel to be illuminating. In chapter 4, we introduce our methodology and the four informant companies. Following this, a chapter is devoted to each of the four case studies. In chapter 9 we comment directly on our case study findings and advance various thoughts on topics that have emerged from our analysis of the case studies. Chapter 10 reviews the contribution of this book to KM as an academic discipline and management practice, and then discusses the nature of knowledge advantage.

In chapters 1-4, we introduce some propositions about tacit knowledge. In most cases they are triggered by a comment or idea in the current writing on tacit knowledge, but some are better seen as products of a eureka moment. In any event, our propositions, while not to be regarded as hypotheses, as such, have influenced our analysis and discussion of the case data.

MEETING AN UNUSUAL CHALLENGE FROM IBM

In June 2008, the annual conference of the European Foundation for Management Development (EFMD) – Europe's premier forum for aligning management education with the latest corporate practice and thinking – took place in Oslo. One of the keynote speakers was Dan McGrath, VP Corporate Strategy at IBM. Dan observed that management education and business practice were 'worlds apart'. In passing he pondered why so few management books have been jointly written by professors and practitioners. It is an interesting point. Every year hundreds of new books on business and management are published in English, but very few indeed are the joint work of professors and practitioners.

Dan plainly saw this kind of co-authorship as a way of reducing the gulf between the misaligned worlds of management education and business practice.

In our case, we did not just sit down to write, but conducted every interview jointly. This involved multiple joint trips to two European countries (five to the UK and six to Denmark) and three Asian countries (one to Korea, three to Japan, and two to China). Both of us adapted our schedules to make these visits; those in Asia were built around Martin's planned business trips. In our situation, we bring both contrasting and overlapping fields of knowledge and experience to this project, including differing professional perspectives as well as a shared interest in coming to grips with what is 'un-understood' about the subliminal dimensions of cross-cultural relationship building.

As we note later, a debate has been raging for some years among international economists and management scholars as to the precise relevance of international business as an area of academic study. Scholars are largely locked into conducting theory extension research with over-reliance on quantitative analysis methods, while the practitioners find that the business schools are, as a rule, not adept at imparting cross-cultural insights *in ways that are relevant to them*. Our book is more than an attempt to pick up the gauntlet flung down by IBM: it also aims to suggest a sort of middle path between these two misaligned worlds. If our attempt fails, then let our detractors find a co-author from the other camp, then devise and write a book together. If the reaction is more favourable, then we hope that we can be seen to be initiators of a new, surely overdue, genre of management writing.

LANGUAGE

Anyone who has already taken a glance at the index of this book may have been struck by the high number of references to language, in general, and the Japanese language, in particular. The literature on tacit knowledge is replete with references to dialogue, conversation, socialisation, coaching, and so forth. And no wonder: the sharing and transmitting tacit knowledge is closely bound up with language behaviour; and in cross-cultural interactions, which bring various languages and associated thought worlds into interplay, language *must* be discussed. Readers will not need a background in linguistics or even knowledge of any foreign language to follow what we write, but an appreciation of the extraordinary role of language in the pursuit of organisational goals would be helpful.

We make absolutely no apologies for the many references to the Japanese language. Given the influence of Nonaka and Takeuchi's book *The knowledge-creating company*, published in 1995, and the universal acceptance of their famous model of knowledge creation, which is constructed around Japanese language behaviour, we have all the justification we need. In this sense, there is even a case for elevating the Japanese language to the most important language of KM! Why, in any case, should it be assumed that the English language is always the supreme repository of management wisdom?

Whilst on matters to do with language, it should be mentioned that Martin has been responsible for translations from Japanese into English and Nigel for occasional translations from other foreign languages.

A BOOK WITH MBA STUDENTS IN MIND

But for whom exactly are we writing? From the outset we saw our main, but not necessarily sole, target audience as MBA students in various countries, for whom we could write about international business in a way that might coincide with their future careers, either as knowledge workers in international networks or as professionals engaged in a wide variety of cross-cultural interfaces where communication performance invariably requires intelligence, tact and the mind in fast-forward. We are not talking about normal teachable skills and attitudes, the very ones that have been heavily criticised for ensuring that MBA graduates leave their business schools with uniform outlooks and techniques for solving problems that they may never encounter except as an examination question.

The most celebrated and certainly most robust opponent of MBA education is Henry Mintzberg (2004), who believes that conventional MBA education places too much emphasis on management as a science, thus 'ignoring its art and denigrating its craft'. Advocating 'a hard look' at the soft side of management, he would like to see MBA programmes wherein practicing managers learn from their own experience. This presents a huge challenge to MBA programme designers, but the lack of groundswell for a change in approach from would-be participants – namely the hundreds of young people with or without experience who sign on for MBAs each year *and* their potential employers across the globe – ensures that MBA education will remain, for the foreseeable future, 'scientific'. Graduates will, according to Mintzberg, erroneously think that they have been trained to be managers. They may (in the words of a novelist) even see themselves 'almost instinctively as members of the officer class of global business' (Hamid, 2007).

Despite this, there is growing recognition that traditional teaching methods are on the way out. In the words of Nigel Banister of Manchester Business School, this change is occurring because 'the workspace, living space and learning space will all be linked together… There will be personalised learning spaces' (cited in Bradshaw, 2008). This book then has been written for such learners, who seek what we might call *relevant variety* in the ways management knowledge is imparted to them. This is *not* a focused text, striving to inculcate a narrow way of thinking; our aim is to broaden horizons, not shrink them.

Be that as it may, we nevertheless share Mintzberg's concerns, fearing that the intensively Westernised nature and orientation of MBA programmes – even in Asian countries! – poorly prepares many MBA graduates for cross-cultural encounters, which the textbooks do not anticipate and their professors cannot

imagine. We do not expect our book to replace any primary course texts on international business used in MBA programmes, but we hope that it will be recommended by course directors as a fitting complementary text. A recent supplement in *The Times* of London on MBA programmes noted that 'a book represents a substantial piece of work that [management students] can enjoy reading and that they will remember long after scholarly articles are forgotten' (Crainer, 2008). We should be delighted if our book could be seen to belong to this category.

It is impossible not to be acutely aware that the preparation of this book has taken place against the backdrop of the global financial crisis. Already there is a talk of a new capitalism, one that is less ruthlessly competitive, more considerate of people – especially employees – one that is much less prone to the glorification of risk, and less prodigal in its rewards for frankly conspicuously mediocre contributions. Among other things, this new capitalism must serve not only society at the national level, but at the international level as well, where problems such as global warming, depletion of the key natural resources, and terrorism are met. This new capitalism will call for what Bartholomew and Adler (1996) designate 'cross-cultural collaborative learning' and greater efficiencies in cross-cultural knowledge sharing. Those with expertise in KM will know that tacit knowledge has been identified as one of any organisations' most precious and yet most elusive intangible resources. In the new capitalism it will become even more urgent to develop 'organisational tools that continuously nourish and nurture tacit knowledge' (Edvinsson, 2004). Our book has been consciously written to meet that challenge.

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ENDNOTE

1 At the request of the company we reproduce its name in capital letters throughout this book.

CHAPTER 1

KNOWLEDGE MANAGEMENT: PRACTICES, PROPOSITIONS OR A PHILOSOPHY?

> Knowledge in organizations is not a new thing; knowledge management is.
> – Thomas Kalling and Alexander Styhre

> We cannot transfer our tacit knowledge intact, like an artefact.
> – Jane McKenzie and Christine van Winkelen

OBJECTIVES OF THIS CHAPTER

- Place the Nonaka-Takeuchi declaration in context.
- Provide a brief overview of the evolution of knowledge management (KM) knowledge management.
- Outline the etymology of the word 'tacit' and the terms for tacit knowledge in various languages.
- Begin unravelling the concept of tacit knowledge.

INTRODUCTION

The logical point of departure for this scene-setting chapter would be to consider the key question 'what is knowledge management?' We shall indeed address this question, but first we present some fertile facts about KM from an unusual and possibly polemical perspective. Accordingly, we will not begin by mapping out the field of KM in terms of its current academic and practitioner status, but will immediately confront one of the most dramatic statements made about it the entire annals of KM.

In their seminal work, *The knowledge-creating company*, first published in 1995, the Japanese scholars Nonaka and Takeuchi declared that knowledge management had 'hit the West like lightning'. This was an extraordinary claim, indeed so outrageously challenging that it demands our scrutiny. In fact the Nonaka-Takeuchi declaration can only be understood in the context of the modern

history of Japan, which is, in the words of. G. B. Sansom (1950), the doyen of Western historians in the first half of the twentieth century: 'in essence a record of the clash and fusion of two cultures, the development of an Asiatic civilisation under the impact of Western habits of life and thought'. Sansom goes on to qualify this observation with a formidably powerful insight: '[Japan's] outlook upon the world at large becomes intelligible only if it is studied in the light of history on a scale so large as to appear at first sight excessive'.

If Nonaka and Takeuchi are really saying that 'the West' were latecomers to KM, then we need to understand how Japan became such a front-runner. The following paragraphs, based on Holden and Tansley's (2007) discussion of the cultural-historical determinants of contemporary KM environments, make clear that the explanation lies in intercultural 'clash and fusion' grasped on the grand scale.

Since the first contacts with Europeans in the sixteenth century, Japan has had an almost continual history of learning from the Western world. Perhaps the most important and in any many senses most unusual Japanese KM event occurred immediately after 1868, the year traditionally regarded as the birth of modern Japan. From 1872 to 1873, Japan despatched officials to Britain, Germany, the Netherlands, and other European countries, as well as to the USA, to renegotiate treaties (it failed in this respect) and to acquire know-how in fields such as law, economics, ship construction and military engineering. A subsidiary aim was to train interpreters.

The embassy's report was published in five volumes. This document was, in the words of a world authority on Japan, 'a draft for the building of an entirely remodelled Japan, reflecting the current wisdom of the West' (Beasley, 1999). It is a record of a vastly ambitious attempt at constructing explicit knowledge, which could be drawn upon or used as a resource for the modernisation of Japan as an industrial state. This great knowledge-seeking enterprise duly laid the foundation for the Japanese army, navy, as well as the nation's industrial, legal, political, and educational systems. This enterprise in cross-cultural knowledge transfer is unparalleled in world history.

If we consider the impressive and massive acquisition of Western know-how by the Japanese as a KM activity, we should note the following features. Japanese officials:

- travelled to the world's leading industrial and imperial nations, with whom they had very little previous experience;
- continued a Japanese tradition, noted by Western travellers to Japan in the sixteenth century, of demonstrating an intellectual and practical curiosity about technology;
- supported the general effort by subsequently dispatching students to the universities of America and Europe;

- acquired explicit knowledge, which they japanised under the slogan 'Japanese spirit, Western knowledge' (*wakon-yōsai*);
- understood the strategic importance of the knowledge (with it Japan had a chance of not being colonised and of even becoming strong enough to acquire an empire in Asia);
- were motivated to learn and share what they learnt for the good of their country;
- were determined to learn well despite formidable language and cultural barriers;
- learned *respectfully* wherever they went (that is, they respected the knowledge first and foremost first and foremost).

Anyone familiar with Japan today would surely recognise some of these features in contemporary Japanese knowledge-sharing behaviour: especially the drive to learn, the willingness to share knowledge (with other Japanese) and, as a corollary, the speed with which the Japanese absorb knowledge, internalise it, and implement it in their own way to suit their own needs and circumstances.

In the history of the world, no other Asian nation reacted in this proactive way to the European, and later American, intruders in a bid to secure their know-how; thus Japan has a claim to exceptional importance in the evolution of KM well over a hundred years before Nonaka and Takeuchi produced their pioneering book. No wonder then that these authors pronounced knowledge management had 'hit the West like lightning'. After all, when they wrote that, Japan had been actively and consciously involved in KM – in peace and war – for several hundred years. The West, the self-appointed great teacher of the world in science, technology, industry, and statecraft, never saw that in some respects Japan had outmanoeuvred it until Japanese corporations in the mid-1970s, and especially in the 1980s, swept the world markets with their cars, cameras, and microwave ovens.

In that latter decade, Japan caused consternation in the boardrooms of America and Europe. The Japanese put their giddying successes down to their own uniqueness, citing a distinctive culture, complex language, isolated geography and even exclusive mental processes as the bases for their prowess. Western commentators trawled Japanese culture for the answers, but before long outsmarted Western companies simply began to dismiss the Japanese as copycats, which was of course a wonderful historical irony. If there was some blatant copying, there was also some serious acquisition of best practices from America.

Most well known is the case of Edward Deming (1900-1993), the US expert on statistical quality control.[1] If US corporations had taken on board his work as enthusiastically as Japanese firms had by the late 1940s, America might not have been subsequently outclassed by Japan in several industrial sectors. By the

mid-1980s it was already clear that America was, 'practically finished as far as competing with the Japanese in televisions and radios … [they] never even got started in the video-recorder field' (Zimmerman, 1985). As early as the mid-1950s the Japanese were excited by the American concept of *scientific management* and were translating Peter Drucker (Johnson, 1982); no doubt his unpompous, practical view of management appealed to them. Just as in the nineteenth century, the Japanese absorbed foreign knowledge and combined it with their own, producing amazing results. By the late 1980s it can be said that Japanese industrial knowledge has, to very large extent, been a hybrid. Japan's detractors have largely missed the point.

Be this as it may, it was Nonaka and Takeuchi who explained the true essence of Japanese success in the late twentieth century. They claimed that the Japanese possess a genius for creating knowledge, especially tacit knowledge, and harnessing it in such a way as to make their companies uncopiable. The West, one might say, has never been as comfortable as the Japanese (and possibly other Asian nations) with tacit knowledge. The West largely trusts explicit knowledge. For this reason, Nonaka and Takeuchi perceptively concluded that the thrust of the Western orientation in KM practices is on implementation. Implementation, note, *not* creation.

In short, from an historical perspective, Japan is a cross-culturally interactive KM environment, with a distinct emphasis on knowledge creation rather than knowledge implementation. While there are very strong grounds for making the study of Japan's KM environment central to the appreciation of KM generally:

> Most knowledge management is understood, and written about, from the perspective of the West and in particular the United States. This perspective tends to be scientific – that is, objective, quantifiable, analytical. There is nothing wrong with this as far as it goes, but it is limited and represents a form of cultural bias … and when we step outside a Western frame of reference, we discover that knowledge is a global phenomenon, which may be managed differently in different cultural contexts. To survive in a global age, we must understand this critical point. The manifestation of global knowledge occurs in many forms: from how foreign markets and financial systems operate, to why people foreign people think and interact in ways that we cannot always understand or predict (Pauleen, 2007).

As a corollary we should add that our book may not strike some readers as very 'scientific'. Tacit knowledge cannot, by its nature, be captured in the stiff, formal, and ultimately limiting language of academic management English. Ac-

cordingly, this book will not, indeed cannot, be written in that mode. For this reason, we have chosen to avoid language couched solely in the objective, quantifiable, and analytical. Tacit knowledge is not static; it defies neat and tidy classification. There is something mercurial about it. When activated, it is always being reshaped to suit somebody's context. These last three sentences strike us as significant. Let them become our Proposition One about tacit knowledge.

Proposition One

Tacit knowledge is not static; it defies neat and tidy classification; there is something mercurial about it. When 'activated', it is always being reshaped to suit somebody's context.

KNOWLEDGE AND KNOWLEDGE MANAGEMENT

With that brief excursion into Japanese history we have executed a somewhat unusual introduction to KM, that 'curious concept' (Alvesson and Kärreman, 2001). We have not just wanted to show that Japan is the country *par excellence* for knowledge-creating companies, but to reveal Japan as a distinctive KM environment that needs an historical perspective on the grand scale to grasp it. Let us leave Japan for the moment, for we cannot progress much further until we have considered the concepts of knowledge and KM at a fundamental level. As stated in the preface, this book is not a textbook on KM; it merely aims to be complementary. For this reason, the following discussion will be not only short, but also designed to prepare the way for exploration of our topic of special interest, namely tacit knowledge. No prior familiarity with KM concepts is necessary.

The nature of knowledge as an object of academic study in the context of management and everyday practice has exercised many a mind. If knowledge in the grand epistemological sense refers to something that one takes to be true, then truth in the management domain – as in war – is an early casualty. This view is consistent with Christensen (2003), a Danish theorist who argues that the KM literature 'has largely renounced the knowledge concept in favour of a functionalist perspective, which is really nothing more than old wine poured into new bottles'. Nonaka and Takeuchi (1995, emphasis in the original) are notable among modern management scholars for not abandoning an ancient orientation towards the nature of knowledge, when they declare that it is 'a dynamic human process of justifying personal belief toward the *truth*'.

The idea of knowledge as dynamic is captured by management scholars Tsoukas and Vladimirou (2001), cited by Kohlbacher, (2007), who stress the relationship between knowledge and domains of action. According to them, 'knowledge is the individual ability to draw distinctions within a collective domain of action,

based on an appreciation of context or theory or both'. Davenport and Prusak's (2000) oft-cited definition supports the linkage between knowledge and action:

> Knowledge is a fluid mix of framed experience, values, contextual information, and expert insight that provides a framework for evaluating and incorporating new experiences and information. It originates and is applied in the minds of knowers. In organizations, it often becomes embedded not only in documents or repositories but also in organizational routines, processes, practices and, norms.

The direct connection between knowledge and the activity of management is, historically speaking, a relatively new development. Scholars trace the connection back to the writings of Frederick Taylor, the father of scientific management, but it is only in the last twenty years that knowledge management has come to the fore. Along the way, John Kenneth Galbraith's *The affluent society*, which was published in 1958, and Daniel Bell's *The coming of the post-industrial society*, which appeared in 1973, proved influential. Between these two books, Peter Drucker's *The age of discontinuity,* published in 1969 – some ten years after he coined the term 'knowledge worker' – discussed the shift from the goods-producing economy to the knowledge-producing economy (for a useful summary of Drucker on knowledge see Collins, 2000). By the end of the twentieth century it was a commonplace to hear about post-industrial society, post-capitalism, the knowledge society, and even the *global* knowledge economy. Burton-Jones (1999, emphasis in the original) speaks of a 'Knowledge Revolution'. It is worth quoting him at length:

> Future wealth and power will be derived mainly from intangible intellectual resources: knowledge capital. This transformation from a world largely dominated by physical resources to a world dominated by knowledge implies a shift in the locus of economic power as profound as that which occurred at the time of the Industrial Revolution. We are in the early stages of a 'Knowledge Revolution', the initial impact of which is becoming apparent in the volatility of markets, uncertainty over future direction within governments and businesses, and the insecurity over future career and job prospects felt by individuals.

By the time Burton-Jones wrote that, the resource-based view (RBV) of the firm had been well established. This view of the firm, which can be traced back to Penrose (1959), holds that the firm can gain and sustain competitive advantage

by making best use of various resources and capabilities – technical, human, managerial – at its disposal. Importantly, later variants of resource-based theory stressed the key role of intangible resources such as brand and reputation. Noting the limitations of the RBV, Kohlbacher (2007) has commented that 'empirical and theoretical research … so far has been mainly focused on how firms keep their unique resources and resulting competitive advantages'. What was missing, according to Nonaka and Takeuchi (1995) was 'a comprehensive framework that shows how various parts within the organisation interact with each other over time to create something new and unique'.

This view strengthened the knowledge-based view (KBV) of the firm, which by regarding knowledge as the most strategically important resource of a firm is both a critique and extension of the resource-based perspective. Although the RBV acknowledged the role of knowledge as a key organisational resource (Burton-Jones, 1999; Conner and Prahalad, 1996; Kogut and Zander, 1992; Teece, 2002), the KBV went further by focusing on the role of routines, competencies, capabilities, and intellectual capital and aspects of their interaction. Advocates of this position have been keen to stress that knowledge has special characteristics such as being embedded in organisational culture: in its policies, routines, systems, *and* in the heads of employees.

A major contribution to the knowledge-based view of the firm comes from Nonaka and co-authors (2008). Noting that knowledge cannot be understood without respect to human interaction and change as a fact of life, these authors argue:

> The theory of knowledge creation views knowledge as a dynamic process and the firm as a dialectical entity in active relationship with the environment. The existence of knowledge and of the firm is not independent of the environment but *in* the environment in relationship with others, emerging in interaction with others, and reshaping itself and others and the environment through those interactions. Knowledge creation theory is based on a view of the world and all things in it as in continuous "flow" (original emphasis).

Certainly a major conviction of our book is that tacit knowledge is itself rather like a flow-like influence. Although we have not consciously set out to support what Nonaka and his collaborators call 'a process theory of the knowledge-based firm', our exploration of tacit knowledge as a facet of cross-cultural intra- and interorganisational relationships is consistent with the Nonaka position.

Conceived as an organisational resource, knowledge is seen to reside in collections of heterogeneous knowledge assets that are socially complex and gen-

erally inimitable. From this notion it follows – or rather it is frequently argued – that astute exploitation of organisational knowledge leads to superior corporate performance, (sustained) competitive advantage and, even the creation of '*extraordinary* value' (Ruggles, 1999, added emphasis). Perhaps there is an abiding recognition, or at least assumption, that 'the ability to constantly create new knowledge and convert it into value-creating innovation is a decisive ingredient in the success of every company' (Bukh et al., 2005a).

If so, it is no wonder that 'many managers are being seduced by the discourse of knowledge management' (Tansley, 2009). But, awkwardly, however, it can be very difficult to identify causal relationships between the exploitation of knowledge assets and hard results (Christensen, 2003). At best there may only be 'a minor correlation between knowledgement management and the company's bottom line' (Christensen, 2003, citing Lucier and Torsilieri, 2001).

Despite this, Nonaka and Takeuchi were already arguing that superior performance and competitive advantage spring from the activity of knowledge *creation* within the organisation, by which they meant 'the capability of a company as a whole to create new knowledge, disseminate it throughout the organisation, and embody its products, services, and systems' (Nonaka and Takeuchi, 1995). Hence, knowledge assets are seen as 'inputs and outputs of knowledge-creating processes' (Nonaka, Toyama, and Kataoka, 2003), which are often invisible and hard to specify: in a word, tacit. Indeed, central to the entire process of knowledge creation is the conversion of tacit knowledge into explicit knowledge, a Japanese speciality. But the Japanese authors do not just have in mind knowledge that has been created, but 'the knowledge to create knowledge, such as the organisational capability to innovate' (Kohlbacher, 2007, citing Nonaka and Toyama, 2005).

It follows that knowledge-creating assets thrive in particular organisational conditions depending on factors such as structure and management competence (and style). Not surprisingly perhaps, Nonaka and his collaborators are inclined to see Japanese firms as providing an especially conducive – or as they would say enabling (von Krogh, 2000) – environment for releasing knowledge-creating knowledge assets; or rather they see Japanese firms possessing what one might call a special point (or points) of incubation.

For this concept, Nonaka and his followers use the humble Japanese word *ba*, which means place, but which has been elevated to refer to 'an existential place where participants share their contexts and create new meanings through interactions' (Nonaka and Toyama, 2003).[2] This sharing of contexts and creating of new meaning is vouchsafed through dialogue, which, in the Japanese firm, will be intensive, time-consuming, and 'harmonious' (i.e., conflict-suppressing). Nonaka and his colleague are especially keen to see knowledge assets as dynamic and therefore in a permanent state of flux. The idea that knowledge assets

change dynamically and are therefore not a static resource perfectly suits the concept of tacit knowledge that this book will develop.

If there is a certain amount of scholarly debate as to what organisational knowledge is or how to characterise knowledge assets, there is general agreement that decisive for understanding knowledge in the world of management either as a 'narrow' management resource or knowledge as a 'wider' organisational resource is the distinction between explicit knowledge and tacit knowledge.

Explicit knowledge is that 'which can be articulated in formal language including grammatical statements, mathematical expressions, specifications, manuals and so forth' [and] 'thus can be transmitted across individuals formally and easily', whereas tacit knowledge is 'personal, context-specific, and therefore hard to formalise and communicate easily' (Nonaka and Takeuchi, 1995). For the sake of argument we might refer to explicit knowledge as 'know-what', whilst tacit knowledge may be seen not so much as 'know-how' as the knowing for know-how. Textbox 1.1 contains various definitions and commentaries of explicit knowledge.

Textbox 1.1
Various definitions of and commentaries on explicit knowledge

- Nonaka and Takeuchi (1995): Knowledge 'which can be articulated in formal language including grammatical statements, mathematical expressions, specifications, manuals and so forth … [and] thus can be transmitted across individuals formally and easily.'
- Evans, Pucik and Barsoux (2002): 'Knowledge that you know you have: objective, formal, systematic, incorporated in texts and manuals, and easy to pass on to others'.
- Christensen (2003): 'Explicit knowledge is only the tip of the iceberg'.
- Boisot (1995): 'Codified knowledge [explicit knowledge] is inherently more diffusible than uncodified knowledge [tacit knowledge]. That is to say, as it gains in utility it loses in scarcity'.
- Allee (2000): 'Explicit knowledge is that which gets deliberately shared, documented, and communicated'.

Burton-Jones (1999) expresses the distinction as follows:

> The critical difference between these two aspects of knowledge relates to how easy or difficult it is to codify or express the knowledge in terms that enable it to be *understood* by a broad audience. If knowledge can be *codified* in this way, it can be made explicit and thus readily transferable. Conversely, if it cannot be made explicit, it must remain tacit (literally 'silent'), thus difficult, if

> not impossible to transfer. As Michael Polanyi (1967) put it in a seminal statement: 'we can know more than we can tell' (original emphasis).[3]

In passing it is interesting to note how back-translations of this most famous of all formulations in the entire domain of KM studies reveal vagueness in the original English.

A German translation ('wir können mehr wissen, als wir erzählen können') makes it clear that the telling refers to an act of narration in speech (*erzählen*) and not to the acts of discerning or making a distinction (as in 'to tell the difference'). A back-translation from Russian is 'we know more than we are capable of saying', which is slightly more forceful than the original English. As for Japanese, the back-translation is rendered, 'there are more things we can know than things we can say'. The German, Russian, and Japanese versions all appear to add precision to Polanyi's own choice of words!

With the recognition that knowledge is a *critical* organisational resource, a conviction espoused by Drucker (1995), the world's leading management thinker until his death in 2005, it was only a matter of time before knowledge as an organisational resource would be seen as something to be *managed,* thus stretching this overworked English verb to new semantic limits (Holden and Tansley, 2008). KM became a significant term in the late 1990s, but, as mentioned previously, Drucker had already set the scene back in 1959 by coinage of the term 'knowledge worker'. Nearly ten years ago KM was said to be 'maturing and going through trials and tribulations of growth and adoption' (Ruggles, 1999). Around the same time there was even an extraordinary prediction by the US consultants at the Gartner Group that KM would 'fall out of favour because of disillusionment, then it [would] pick up again in 2010' (Ruggles and Holtshouse, 1999).

KM would appear to have survived that prediction. Indeed, it has become 'a broad field with explosive growth' (Kärreman et al., 2005), bringing with it new terminology in companies, consultancy, and research (Bukh et al., 2005a). Organisations that develop KM systems use a fusion of technology-centric and people-centric approaches. The former is said to be 'best recommended to address the problem of addressing extensive quantities of information and processes that can be encapsulated in a technology solution … [whereas] a people-centric program is best recommended for those businesses that are reliant on its people interacting in order to improve and achieve its business objectives' (IAEA, 2009).

It is, however, true to say that there is still no unitary view as to what KM actually is. This state of affairs is reminiscent of Cherry's (1980, emphasis in the original) observation nearly thirty years ago about the status of communica-

tion studies, when he declared: *'At the time of writing, the various aspects of communication, as they are studied under different disciplines, by no means form a unified study; there is a certain amount of common ground which shows promise of fertility, nothing more'*. Such a statement could surely be made of the status of KM today. The position is well put by Roos (2005), who it is worth quoting at length:

> Anecdotes about "best practice" for knowledge management and knowledge transfer abound in knowledge management circles, yet no single, over-arching theory, model, or philosophy appears to satisfactorily explain the difficulties associated with achieving the same. Common ground can mostly be found only by researchers and practitioners in the rather abstract construct of "organizational culture" and the related aspects of resistance to sharing as the hardest barrier to overcome in the implementation of knowledge management.

At best we can agree with Christensen (2003) who has noted that there is, or appears to be, a 'prevailing semantic interpretation', according to which 'there is something reassuring about knowledge management as the phenomenon is apparently able to ensure the company's survival'. Textbox 1.2 contains a mélange of statements that suggest but a few of the multiplicity of contrasting emphases that one encounters in the KM literature.

Textbox 1.2
Knowledge management: some contrasting emphases

- Christensen (2003): 'On the face of it, knowledge management can be defined as a management practice, which – while being a method – provides a set of instructions on – or management strategies for – how knowledge should be handled'.
- Kohlbacher (2007): 'Knowledge management has not only become a ubiquitous phenomenon both in the academic and corporate world, but it has also turned into one of the most prominent and widely discussed management concepts of the postmodern era'.
- Nonaka and Konno (1999, translated from the Japanese by Glisby): 'The leadership and adjustment/arrangement of environments for 'giving full play' to values that are born out of the processes of sharing, transferring, and practical use of knowledge'.
- Kalling and Styhre (2003): 'Knowledge management theory is departing from the more functionalist views of organisation in terms of acknowledging resources that cannot be fully captured by managerial practices'.

One of the key questions about KM is this: Are we really talking about management in terms of organisation and coordination as opposed to mere processing? After all, as Dixon (2000, emphasis in the original) contends, 'the term "knowledge management" has unwanted implications. The "management" part implies that this is something Management is in charge of, when what is wanted is that everyone in an organisation be involved in the exchange as well as the generation of knowledge'. In a similar vein, Alvesson and Kärreman (2001) have noted that knowledge is 'a concept far too loose, ambiguous, and rich and pointing in far too many directions' to be managed (i.e., organised, coordinated, controlled).

In line with this thinking, Roos (2005, citing Boisot, 1995) argues that 'knowledge is inherently difficult to master because knowledge management processes are meta-processes which cannot be uniformly observed like physical processes and differ according to their means of creation, nature, recording, transmission and mode of use'. Von Krogh (et al., 2000) argues similarly that 'knowledge management relies on easily detectable, quantifiable information [and] … is devoted to the manufacture of tools'. It may not be unreasonable to suggest that, if it is in the end concerned with 'the manufacture of tools', KM is merely a technique for generating more techniques. No doubt much knowledge is applied in these processes, but it can hardly be called KM.

It should not, however, be assumed that KM is a vague technique with no potential for substantial impact. The UN's International Atomic Energy Agency (IAEA) in Vienna has, in recent years, been involved in promoting 'nuclear knowledge management' to its member states. A recent policy document by the IAEA (2009, emphasis added) is uncompromising in its commitment to KM:

> Failure to apply knowledge management concepts increases the risk of "repeat events" in operational terms, but also it can be reflected in increased training costs or other plant expenses involving preservation, location, retrieval, and application of knowledge. *Critical failures to manage nuclear knowledge could amount to losses in billions.*

This stance supports the case that 'knowledge management depends on how knowledge is perceived' (Christensen et al., 2005). Note here that this observation is specifically relevant to tacit knowledge and the way it is understood and used as one of the most intangible of organisational resources. After all, tacit knowledge, unlike explicit knowledge, which is an overwhelmingly cerebral input, 'is bound to the senses, personal experience, and bodily movement, [and] cannot be easily passed on to others' (von Krogh et al., 2000). It is, therefore, as Burton-Jones (1999) has argued, 'less manageable' than its explicit counterpart.

A question that we will consider much later in this book is whether tacit knowledge can be managed at all. It certainly cannot be processed.

So far we have discussed KM from a general Western standpoint even though we have made frequent reference to the seminal work of Nonaka and his (mainly) Japanese collaborators. Let us turn the tables and see the general Western way of KM through that most illuminating of cross-cultural prisms: the Japanese language. After all 'there are demonstrable differences between languages and every language may be said to be a distinctive medium for the enactment of management, influencing the quality of interpersonal relationships, the communication of information and instructions, and shaping organisational self-reference' (Holden, 2008). When it comes to the enactment of KM, the Japanese language supplies no less than three variants.

For the first two variants let us turn to Nonaka and Konno's (1999) book on knowledge creation, in which the authors contrast the Western and Japanese styles of KM by making a distinction in Japanese. For Japanese-style KM they use the term *chishiki keiei*, *keiei* being a general word for management as practice in Japanese. Under the Nonaka-Konno concept of *chishiki keiei*, the Japanese way of KM stresses the creation of knowledge, the role of values, 'inside-the-head knowledge', and bottom-up, top-down knowledge flows.

With the term *chishiki kanri* we truly enter a different world. The word *kanri* denotes control, (close) management, supervision, care. A related word is *kanrinin*, which according to context means administrator, manager, supervisor, superintendent and even custodian and janitor. The term *chishiki kanri* is associated with not so much the practical management as the control of explicit knowledge and know-how in terms of information systems, databases, search engines. Note how impersonal – almost disembodied – knowledge management becomes in *chishiki kanri* mode. No wonder that the Japanese make tacit knowledge so central to their KM schemes – no wonder 'Western' KM scholars and commentators find it so elusive that they either understandably dismiss it or curiously give it a kind of mythical status.

Lastly, there is *narejji manejimento*, the variant in katakana script, which is used for transcribing foreign words in Japanese. This term stands in contrast to the standard Japanese term for KM, namely *chishiki keiei*. The term *narejji manejimento*, which by the way is *not* used by Nonaka and his associates, is reserved to describe foreign (i.e., non-Japanese) KM that is inevitably performed by people – How should we put it diplomatically? – who do not, alas, enjoy the benefit of being born with Japanese brains (Glisby and Holden, 2003)! These different ways of referring to KM in Japanese eloquently bear out Nonaka and Takeuchi's (1995) comment that 'the ambiguous nature of the Japanese language thus asks one to be equipped with some tacit knowledge of each context'.

TACIT KNOWLEDGE

The word tacit comes from a Latin verb *tacere* 'to be silent'. To be precise, the word is derived from *tacitus*, being the past participle of that verb. The same root, of course, gives us the word taciturn. By extension tacit has come to mean 'unspoken' in English and many other European languages. Think, for example, of the expression 'tacit agreement'. The word explicit, incidentally, derives from the Latin word *explicitus,* which is the past participle of a verb meaning 'to unfold', and by the seventeenth century suggested the idea of 'free from intricacies' (Chantrell, 2002).

In the Japanese language the word is made up of two Chinese characters (called *kanji* in Japanese), which fuse together an intriguing confection of semantic elements. The word *anmoku* 暗黙 is a compound. The element *moku* 黙 conveys, as with the word tacit, the idea of 'keeping silent' and is to be found in various words connoting different kind of silence: from quiet reflection to connivance (Nelson, 1979). The original Chinese character once represented the expression 'silent dog', though the canine associations have long been lost. According to Henshall (1988), the character conveys the idea of something being blocked, this being discernible 'from its original meaning of soot forming on a grille/window'. The semantic essence of the word *an* is darkness and gloom. The physical character 暗 denotes shade with implications of indistinctness (Henshall, 1988). *An* can be found in the compound words for code, hint, underworld, implicit, and undercurrent (Nelson, 1979).

What vivid images the Japanese language gives us for exploring tacit knowledge in foreign cultures and cross-cultural interactions with its dimly perceived undercurrents and strange codes! We will make use of this imagery later; in the meantime, let us stay with the cross-cultural semantics of the word tacit. Textbox 1.3 supplies the literal meaning of tacit in a cross-section of European languages. Note how Danish and German base their word on the root for silence in Germanic tongues, whereas the Russian expression eschews silence for indistinctness. By contrast, French opts for *implicite*, which is derived from the Latin word implicare, and means 'folded in' and, by extension, 'entwined and entangled' (Chantrell, 2002).

If we use the expression 'implicit knowledge' in English rather than 'tacit knowledge', the deep semantics of the former term bring to mind the vastly appealing idea that this slippery mode of knowledge is entangled.4 It is of course customary to refer to tacit knowledge as *embedded* in contexts, routines, and practices, which is a rather gentle horticultural image. Entanglement reveals a greater truth about tacit knowledge: that it is awkwardly and inconsistently enmeshed in those selfsame contexts, routines, and practices, and impossible to extricate in pristine condition.

Textbox 1.3
Tacit knowledge in various languages

German: *stillschweigendes Wissen*. Lit. 'silent knowledge'
Danish: *stiltiende viden*. Lit. 'silent knowledge'
Russian: *nyeyavnoye znaniye*. Lit. 'knowledge that is not manifest'
Arabic: *maariya khalifa*. Lit. 'latent knowledge'
French: *connaissance implicite*. Lit. 'implicit knowledge'
Chinese: *yingxin zhishi*. Lit. 'hidden knowledge'
Japanese: *anmokuchi*.* Lit. 'silent, shadowy knowledge'
Finnish: *hiljainen tieto*. Lit. 'silent, quiet knowledge'
Thai: *kwam-nai*. Lit. 'implicit knowledge'
Hungarian: *rejtett tudás*. Lit. 'covert, concealed knowledge'

**Anmokuchi* is a compound word, comprising *anmoku* and *chi*, which is a contraction of *chishiki*, meaning knowledge.

Of interest, too, is the word for knowledge in the expression tacit knowledge in various languages. A glance at the word knowledge in various bilingual dictionaries will reveal that translations cover not just knowledge but cognition, awareness, learning and understanding. Some languages – for example, French and German – make a distinction between knowledge as accumulated knowledge (Ger. *Wissen*) as opposed to knowledge of a particular subject (Ger. *Kenntnisse*). To make that distinction clear, in the expression 'his knowledge will die with him', Germans would use the word *Wissen*, not *Kenntnisse*.

Unlike *Wissen, Kenntnisse* can be left to posterity in the form of one's writings, letters or even stamp collection. Furthermore, *Wissen* is a philosophical term i.e. it is the word for knowledge as the object of epistemological enquiry. It is the word that appears in the German translation of 'knowledge management', which is *Wissensmanagement*.

As noted earlier, it was Michael Polanyi who coined the term tacit knowledge some fifty years ago. Styhre (2003) contends that 'the debate' about the distinction between tacit knowledge and explicit knowledge 'has … become one of the most viable areas within knowledge management'. It is, incidentally, a pity that – as far as can be ascertained – Polanyi did not know Arabic: he might have opted for the term *latent knowledge* rather tacit knowledge, the word latent having the advantage of a scientific pedigree in physics (latent heat), photography (latent image) and physiology (latent virus). Derived from a Latin word meaning 'being hidden' and defined as 'existing but not yet developed or manifest' (Oxford, 2006), the word latent would surely be a very serviceable replacement for tacit. Alas, it is far too late now to turn back the terminological clock!