Impact of Tacit Knowledge with Employee Turnover in Urja Land Solutions Ltd, Calcutta, India

Balu.L
Assistant Professor, Department of Management Studies, Christ University, Bangalore-560029, India
E-mail: balu.l@christuniversity.in

Anamika Anchalia
3rd Year BBA HRM Student, Department of Management Studies, Christ University, Bangalore-560029, India

Abstract
Tacit knowledge is unwritten, unspoken, and hidden vast storehouse of knowledge held by practically every normal human being, based on his or her emotions, experiences, insights, intuition, observations and internalized information. Tacit knowledge is integral to the entirety of a person's consciousness, is acquired largely through association with other people, and requires joint or shared activities to be imparted from one to another. Like the submerged part of an iceberg it constitutes the bulk of what one knows, and forms the underlying framework that makes explicit knowledge possible. The process of tacit knowledge transfer directly or indirectly starts from the day a new employee joins the organization and is visible in each level of the organization. This continuous process is appreciated by the employees and both the management and employees understand the importance of favorable factors for effective and efficient transfer or tacit knowledge. This research is done on a real estate company called Urja Land Solutions Ltd to understand the impact on tacit knowledge transfer at the time of employee turnover. To support the finding an extensive research was conducted. A questionnaire survey with a sample size of 100 respondents where respondents were employees currently working in the organization helped in concluding that the Urja Land Solutions Ltd is aware of the importance of employee satisfaction and employee relation to the organization, it also takes measures to reduce employee turnover.

Keywords: Tacit, knowledge management, turnover, task analysis

Introduction
Knowledge management is the dynamic process of creating new knowledge, identifying sources of this new knowledge and the elicitation and distribution of this knowledge. The identification of tacit knowledge sources and the creation of knowledge through tacit to tacit knowledge sharing and tacit to explicit knowledge sharing are fundamental to this process. According to Parsaye, there are three major approaches to the capture of tacit knowledge from groups and individuals. They are:

- Interviewing experts.
- Learning by being told.
- Learning by observation.

Interviewing experts can be done in the form of structured interviewing or by recording organizational stories. Structured interviewing of experts in a particular subject is the most commonly used technique to capture pertinent, tacit knowledge. An example of a structured interview would be an exit interview. Learning by being told can be done by interviewing or by task analysis. Either way, an expert teaches the novice the processes of a task. Task analysis is the process of determining the actual task or policy, by breaking it down and analyzing what needs to be done to complete the task. Learning by observation can be done by presenting the expert with a sample problem, scenario, or case study and then observing the process used to solve it.

Professor Ikujiro Nonaka has proposed (Socialization, Externalization, Combination, Internalization) model, one of the most widely cited theories in knowledge management, to present the spiraling knowledge processes of interaction between explicit knowledge and tacit knowledge (Nonaka & Takeuchi 1995).

The IRG Solution - hierarchical incompetence and how to overcome it argued that tacit knowledge was essentially a property of social networks and that much tacit knowledge was held in, and communicated by this informal lateral communication between network members.

Tacit Knowledge
Unwritten, unspoken, and hidden vast storehouse of knowledge held by the company, practically every normal human being, based on his or her emotions, experiences, insights, intuition, observations and internalized information. Tacit knowledge is integral to the entirety of a person's consciousness, is acquired largely through association with other people, and requires joint or shared activities to be imparted from one to another. Like the submerged part of an iceberg it constitutes the bulk of what one knows, and forms the
underlying framework that makes explicit knowledge possible. Concept of tacit knowledge was introduced by the Hungarian philosopher-chemist Michael Polanyi (1891-1976) in his 1966 book 'The Tacit Dimension.' Also called informal knowledge.

**Objectives of Tacit Knowledge:**
- Knowledge transfer between two or more people
- Reduction in mistakes and wastage of time by knowledge transfer process
- Effective and smooth working in an organization
- To share knowledge so that the organization is not dependent on one person for a task.
- To act as a core-competency for any organization
- Helps in employee and organization development
- A continuous process which helps in competitive advantage.

**Relevance today**
An organization is what it knows. What it knows it gets from its learning (Bonner, 2000). The strength, importance and value of tacit knowledge is that it is often very difficult for competitors to imitate and, therefore, to be transferred. Organizations that use and recognize the employees’ wealth of tacit and explicit knowledge achieve a competitive advantage. More and more organizations have become aware of the importance of the employee and more exactly of the importance of the tacit knowledge that the employees possess. This is why the management of every company has to find the right motivational system to make its employees capture, reuse and share their tacit knowledge, thus reducing mistakes, losing time, profits and increasing the advantage in front of the competitors.

**Types**
There are two types of knowledge; they are tacit knowledge and explicit knowledge.

- Tacit knowledge is informal language deeply rooted as individual actions and experience, ideas, values or cautions.
- Explicit knowledge can be shared, conditioned, structured, conscious and can be stored to reuse.

**Method**
There are many ways to transfer tacit knowledge, to name a few are:

- Exit interview or staff downloads help capture the knowledge before employees leave.
- Feedback
- Documentation i.e. from tacit to explicit
- Wikis to allow members/employees to add, delete, edit content
- Mentoring can be formal or informal. Shadowing is a good technique of mentoring where one employee observes another staff member do a process from scratch till the end.
- Communities of large group interested in same or similar topic discussing their ideas.
- Working groups are similar to communities but are smaller in size and agree upon particular processed in specific time.
- Spatial arrangement is another good method where employees are given an environment where they interact and share knowledge with others.
- Incentives is a good motivating force, by making tacit knowledge sharing a part of variable pay, positive behavior is rewarded and sharing is more efficient.
- Questions and answers is another area to learn, the person can clear doubts and also the ones answering are made to think.
- Openness to discussing failure
- Adaptability and innovation gives room for trial and error to increase the horizon of their learning and share it with others.
- Storytelling
- Meetings; these are just few methods of tacit knowledge transfer.

**Differences with Explicit Knowledge**
Tacit knowledge can be distinguished from explicit knowledge in three major areas:

- Codifiability and mechanism of transferring knowledge:
  while explicit knowledge can be codified, and easily transferred without the knowing subject, tacit knowledge is intuitive and unarticulated knowledge that cannot be communicated, understood or used without the ‘knowing
subject. Unlike the transfer of explicit knowledge, the transfer of tacit knowledge requires close interaction and the buildup of shared understanding and trust among them.

- Main methods for the acquisition and accumulation:
  Explicit knowledge can be generated through logical deduction and acquired through practical experience in the relevant context. In contrast, tacit knowledge can only be acquired through practical experience in the relevant context.

- Potential of aggregation and modes of appropriation:
  Explicit knowledge can be aggregated at a single location, stored in objective forms and appropriated without the participation of the knowing subject. Tacit knowledge in contrast, is personal contextual. It is distributive, and cannot easily be aggregated. The realization of its full potential requires the close involvement and cooperation of the knowing subject.

The process of transforming tacit knowledge into explicit or specifiable knowledge is known as codification, articulation, or specification. The tacit aspects of knowledge are those that cannot be codified, but can only be transmitted via training or gained through personal experience. There is a view against the distinction, where it is believed that all propositional knowledge (knowledge that) is ultimately reducible to practical knowledge (knowledge how).

**Literature review**

A critical challenge for today’s organizations are to retain knowledge workers as they face increasing global competition with its demands for more knowledge workers, at the same time ensuring shifting workforce demographics to hasten their exit. Knowledge Management design initiatives to help accelerate knowledge creation, acquisition, and also knowledge capturing, sharing and retention, thereby the end results are receiving significantly higher levels of investment. While there are many factors that have an impact on organization financial performance, the research paper gives an indication that successful knowledge worker retention is related to a higher financial performance as per the research report. This concept of tacit knowledge was mainly developed in connection with the field of research of knowledge management. Tacit knowledge represents personal knowledge obtained as a result of the direct interaction between individuals and their environment. Tacit knowledge is mainly about hunches, talent, intuitions, feelings and many other forms of knowledge that are non-rational. Tacit knowledge represents an excellent pool of intangible resources from which many organizations will be able to gain major competitive advantage. The existent Knowledge Management (KM) research has been mainly focused on large organizations, providing little information for small companies. Authors believe that the lack of attention the small companies are putting on the strategic management of their knowledge is worrisome. One of the less explored areas within knowledge management is tacit knowledge due to the difficulty to formulate, codify or to express it. Despite this problem, it is perceived as a Holy Grail that will enable magnificent things to happen as soon as the codes of tacit knowledge have been deciphered. Tacit to tacit knowledge transfer has been identified as more relevant than tacit to explicit conversion in the small segment of small companies. Therefore the main drivers of the transference of tacit knowledge are learning at personal level and common culture. Distance, cost and Time have been recognized as major problems for small companies when transferring tacit knowledge. Intellectual capabilities and knowledge/information transformations have a central place within globalizing information economies as per the current trend. Quantifying, constructing and transforming knowledge and information requires a new organizational understanding and newer cognitive capabilities of strategic management. A part of this awareness is also a design for the role of symbolic analysts deliberately done by organizations. Also, there is an emerging need for the function of Chief Knowledge Officer going even beyond the Chief Information Officer qualifications posted by an information technology-driven restructuring of routine and repetitive processes, as compared with creation capacities which are innovative and associated with critical non-routine, non-repetitive functions in organizations which were discovered by previous researches. This research takes into account, the neglected organizational and institutional dimensions to knowledge creation and knowledge conversion and reviews the renewed importance of internal recruitment and socialization within organizations and gives information about knowledge codification and application functions within knowledge-creating institutions. Knowledge management inevitably leads to concerns being raised about cognitive failure in praxis leadership theory.

**Introduction to the company**

Urja Udyog started on 4th December, 1992 with two persons under the sole proprietorship of Mr Vinod Kumar Anchalia. The main activity of the business was to manufacture electrical and electronic components for general use. In the year 1993 Mr Vinod Kumar Anchalia visited Kurki and Kurukshetra University and thought of an idea to introduce high voltage D.C highly regulated power supply in the Indian market. Mr Vinod Kumar Anchalia took it as a challenge to compete with Philips (Holland), Siemens (West Germany), Glass Man (U.S.A) etc.
The machine was developed successfully using the raw materials by a technically sound team and started marketing its product in the Indian market. The main customers of H.V.D.C power supply were Department of Atomic energy, Research institutes, Universities, Nuclear Physics department to name a few.

In the year 1995 Urja Udyog covered under company’s act converted to Pvt Ltd. & Ltd companies, one of them is leading sector in real estate is Urja Land solutions. After launching H.V.D.C. power supply, company entered into manufacturing solid state protection devices( electrical and engine protection relay) and diesel generating sets and alternators. After launching these products successfully the company launched various domestic and general use components. Further the company aimed of manufacturing Ion implementer beam, 3 wheeler auto rickshaw and various other items.

Apart from the basic manufacturing activities of high voltage, highly regulated power supplies, solid state protection devices, alternaters/ D.C sets etc, they diversified into the needs of defence and railways. They further diversified into Real estate with their first township project in Rajarhat for all walks of life and publication of business magazine ‘Business Reader’.

The first step was a Township Project at Rajarhat by sale of lands in plots. Spurred by this success, the House marched ahead with similar projects in midst of various Greeneries in the State, as in Rajarhat and Rajarhat.

The latest venture in the Real Estate Sectors is selling by plots in Rajarhat, adjacent Newtown. Being launched in the name “Orchard” Urja is dedicated to maintain posh standard of living and enrich your modern day relaxation with a splash of green. It is a pasturage syndrome with every conceivable amenities and facilities. Vision: To achieve the highest standards of the industry and to be the most preferred company.

Research Design
Objective of the study
The primary objective of the study is to find out what is the impact on tacit knowledge when there is employee turnover at Urja Land Solutions Ltd

The secondary objectives of the study are:

- To find the employees opinion about tacit knowledge transfer
- Whether awareness about tacit knowledge is required
- The changed that can be brought in the firm in terms of compensation, culture, employer’s behavior
- The departments and processed where tacit knowledge transfer is required

Scope of the study
The scope of the study is employees of all levels of all the departments of Urja Land Solutions Ltd irrespective of the knowledge transfer process done or not in that particular level.

Sample size and sampling technique
The sampling size was 100 respondents who belonged to the various levels of the organization (lower level, middle level and senior level) keeping in mind all the departments were covered.

Data Collection Methods: Questionnaire and Interview.

Statistical tool for analysis: The statistical tool used for analysis was frequency and descriptive. The answer of the respondents was put in SPSS software using which analysis and interpretation was done.

Limitations of the study
- Deciding on a topic and getting approval from university and the organization was a problem
- Geographical barrier
- Permission from the organization for each and every step was time consuming
- The questionnaire needed to be specific yet general so that all the departments and all level of employees could answer it.
- The employees took long to fill and send the questionnaire and interview process was tedious. Few employees were interested and few lacked interest during the interview process.
- The findings were too many; framing them in small points was a problem.
- The suggestions and recommendations took time to frame as they had to cater to all departments and the organization as a whole.

Analysis and Interpretation: A few of the questions in the questionnaire were shared, whereas complete findings and suggestions are presented in the research.
Table: 6.17 Awareness of the term tacit knowledge

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not aware</td>
<td>20</td>
<td>20.0</td>
<td>20.0</td>
<td>20.0</td>
</tr>
<tr>
<td>Aware but no understanding</td>
<td>20</td>
<td>20.0</td>
<td>20.0</td>
<td>40.0</td>
</tr>
<tr>
<td>Aware with little understanding</td>
<td>45</td>
<td>45.0</td>
<td>45.0</td>
<td>85.0</td>
</tr>
<tr>
<td>Aware with complete understanding</td>
<td>15</td>
<td>15.0</td>
<td>15.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Analysis: Only 15 respondents out of 100 respondents were aware and had complete understanding of the term tacit knowledge. 45 respondents said that they are aware but with little understanding of the term tacit knowledge.

Graph: 6.17

Interpretation: 20 respondents said they were aware of the term but had no understanding of it and the remaining 20 respondents said they had never heard of a term tacit knowledge.

Table: 6.43 Should knowledge transfer differ department wise

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly disagree</td>
<td>3</td>
<td>3.0</td>
<td>3.0</td>
<td>3.0</td>
</tr>
<tr>
<td>Disagree</td>
<td>14</td>
<td>14.0</td>
<td>14.0</td>
<td>17.0</td>
</tr>
<tr>
<td>No idea</td>
<td>5</td>
<td>5.0</td>
<td>5.0</td>
<td>22.0</td>
</tr>
<tr>
<td>Agree</td>
<td>21</td>
<td>21.0</td>
<td>21.0</td>
<td>43.0</td>
</tr>
<tr>
<td>Strongly agree</td>
<td>57</td>
<td>57.0</td>
<td>57.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Analysis: 57 respondents out of 100 respondents strongly agreed that knowledge transfer should differ department wise. They said each department has its own process and knowledge transfer is not same for all.
Graph: 6.43

Interpretation: Very few respondents strongly disagreed that knowledge transfer should differ department wise. On being asked the reason these respondents said that knowledge transfer itself is a process and does not need to be customized as per each department.

Findings:

- The job satisfaction and compensation satisfaction is good at Urja Land Solutions Ltd. Most of the respondents said and employees said they are happy with their current job.
- Every employee has their own individual reason to continue in the organization.
- Most of the employees think that there are more positive aspects to their job than negative. The environment is healthy, the talents are recognized and acted upon by the organization however few employees with different kind of skill set or comparatively less equipped with skill also need opportunities.
- Most of the employees are happy with their immediate supervisor and employer’s behavior. They find their present employer’s behavior better compared to any other previous employer. The employees rated work condition satisfactory.
- Most of the employees were aware of the term tacit knowledge transfer but only few employees had the complete understanding of the term tacit knowledge. The exit interview and training for juniors before voluntary resignation was conducted in almost all departments.
- Most of the employees of the firm were both emotionally and transactionally attached to the firm. These employees also mentioned that the supervisor’s expectations are moderately realistic but few employees who like challenging job mentioned that they think the expectations are very realistic.
- Most of the employees of Urja Land Solutions Ltd said they are not likely to look for another job else where but few employees said they are likely because of personal reasons.
- Tacit knowledge is something that employees of Urja Land Solutions Ltd do it with or without knowledge but is a continuous process. Most of the employees are willing to share tacit knowledge provided they are still a part of Urja.
- The employees agreed that tacit knowledge transfer has its own share of problems which differs individually, process wise and department wise. The firm believes that tacit knowledge transfer cannot be standardized, it differs and hence follow different types of method depending on the requirement.
- The firms and employees believe and are aware of the advantages of tacit knowledge, the various factors important for successful tacit knowledge transfer, the behavioural factors that may cause loss and the processes long term effect.
- Urja Land Solutions Ltd has a mixed view about whether tacit knowledge transfer affects and firm’s innovation capacity or not but the majority believe that this does not reduce the firm’s innovation capacity.
- One of the other findings was that a healthy relationship is maintained between the transferor and the transferee and the most opted option for ideal kind of tacit knowledge transfer relationship was one to
Urja Land Solutions Ltd gives a lot of importance to tacit knowledge transfer and it is a continuous process.

Suggestions

- Urja Land Solutions Ltd should rethink their compensation structure and find out why few employees are not satisfied. Each individual has a different reason for continuing in the organization. The firm should work towards finding out the reason for each employee staying and work towards retaining them.
- Few employees said that there are few negative aspects to the job, the firm should investigate and make necessary improvements. The talent recognition process also has to be improved.
- Few employees who are not happy with their employer’s behavior, the employer should find out what are those factors or reasons and if justified according then should work on it.
- Most of the employees are satisfied with the work conditions; however there are few employees who are not satisfied. The firm should investigate this particular issue.
- The process of tacit knowledge transfer should be explained to the individual so that each and every employee has knowledge about it. The employees will not be in ambiguity and take more interest in learning. The exit interview process and training the junior before voluntary resignation should be informed to the employees. Few departments or processes which do not follow tacit knowledge transfer should start this process immediately.
- A small number of employees think the employer’s expectations are not realistic, they should be explained and motivated to work harder. Steps towards retaining the employees should be taken as few employees are likely to look for another job.
- Urja should create an environment where employees are willing to share tacit knowledge and not limit it to themselves. There are several problems during the tacit knowledge transfer, the firm should identify such obstacles and remove them. Every individual has a way of learning, the firm should identify the ideal method of knowledge transfer for each individual so that the process is more efficient and effective.
- Every employer needs to understand the behavioral issues a particular employee has and do the tacit knowledge transfer accordingly and before any tacit knowledge transfer process a healthy relationship between the transferor and the transferee needs to be built and follow one to one type of relationship.

Recommendations

- Urja Land Solutions Ltd needs to take measures so that current employees are satisfied, they are retained and motivated. The work conditions have to be improved.
- For motivation, healthy relationship between employees, transparency in tacit knowledge transfer process they need to conduct workshop and training activity. The issues few employees have with their employer’s and work can be improved.
- The employees have good suggestions for few problems which the firm can use, the firm should put up a suggestion box.
- Talent recognition process needs to be improved so that the firm can realize its employees true talents. The very basic thing the firm can do is by providing more opportunities.
- The employees need to go through sessions on behavior, team work, tacit knowledge, its importance and advantages so that they are not unwilling to share tacit knowledge.
- Few departments don’t have tacit knowledge transfer for all the processes ,the firms should implement it at the earliest.
- All factors both internal and external need to be considered for tacit knowledge transfer. The firm should make it mandatory.
- Tacit knowledge reduces an employees chance to experiment and learn hence more opportunities to experiment, innovate should be given.
- The firm should make tacit knowledge transfer a continuous process for all departments and all processes/levels of the department.

Conclusion

The tacit knowledge transfer of Urja Land Solutions Ltd is a very good, effective and efficient process. However there are few departments/ few processes in those departments which need more effective tacit knowledge transfer. The departments where the tacit knowledge has not started or started need to answer few employee grievances related to tacit knowledge. A continuous feedback will help the organization in the long run to resolve the same and come with new strategies for imparting tacit knowledge.
References
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