

## Restructuring – The Need to Protect Tacit Knowledge

What is 'tacit' knowledge and why do we need to ensure that such knowledge is not lost?

In his book 'Human Resource Management – in a Business Context', Alan Price describes 'tacit' knowledge as knowledge that is found in the heads of an organization's employees. It is difficult to access and use and, typically, an organization does not even know what knowledge is being held. In simplified terms it is knowledge that is not easily communicated or quantified but is gained through experience and communicated on an informal basis. Alan Price goes on to say that '...the knee-jerk reaction of top managers who fire employees at the first sign of any downturn means that the knowledge is often lost'. Could it not also be lost when top managers make the decision to adopt remote working?

In a recent conversation that I had on the topic of remote working and, in particular, the loss of tacit knowledge, it was suggested that such knowledge could be passed on in the same way that training can be undertaken online. I have actually seen this attempted by organisations recording 'lessons identified' and placing them in an accessible file for everyone to read. Unfortunately, most of them have never become 'lessons learned'. Why is that the case?

Tacit knowledge is not based on theory, as can be found in books or delivered through training courses. It is based on experience and is often passed on by people observing its use in the workplace. If we take the example of tacit knowledge that has resulted in why something may have failed, or why it was successful; unless you know the context and the situation in which the knowledge has been used and have been in the work situation to observe the minutest of detail that has supported its use, the likelihood is that it will add no value. Even where the knowledge used has led to a successful outcome in the past, if used in the wrong context or situation it could lead to failure and, in some situations, have disastrous consequences. Furthermore, there is a need to take into account skills-fade. How up-to-date is the knowledge? Have things moved on since the knowledge was last 'put to the test'? In a 'normal' working environment, where staff are engaged in a team setting, such knowledge is often updated by its ongoing usage. So, why is it important to protect the tacit knowledge that lurks within an organisation?

I recently came across a report that had been written about me after I had been working as a member of a planning team for the execution of a major military operation. This quote, in particular, caught my eye: 'Quick to assess the situation he (me) always identified the most practical and efficient answer. This proved invaluable, given that the most practical solution is not always the most obvious, especially in the highly pressured environment within which he was working'. This wasn't brought about because I'm particularly clever – it was brought about by being able to adapt the tacit knowledge, that I had gained elsewhere, to the context and situation at that time. In so doing, I had created 'new' tacit knowledge that ensured the success, in part, of that particular operation. How does this translate to a business environment?

It is the tacit knowledge, learned through experiences in the workplace, that has the biggest effect on the innovation and creativity required to ensure business continuity by providing

something different, of value, in the marketplace. It can have a positive effect on the ability of a business to react to change in the external environment with both speed and scale. Furthermore, it provides ongoing professional development to employees, which can help to reduce staff turnover, whilst also providing development of the organisation itself. In short, it can provide competitive advantage! This then raises another question.

Will the decision by organisations to adopt the 'new normal' have a detrimental effect on creating their 'new future' due to the lack of ability to create the 'new' tacit knowledge required in order to ensure business continuity?

Every organisation is different – don't just jump on the 'remote working bandwagon'. Think about the structure, strategies, capabilities and culture required to support the collaboration, communication (including the accumulation of tacit knowledge through experience in the workplace) and innovation required to move the business forward – especially in these times of heightened uncertainty.

Think: Are we restructuring for all the 'right' reasons?