

Capturing Employees' Tacit Knowledge for COMPETITIVE GAIN

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An organization's *tacit knowledge* is the expertise that resides in the minds of employees but has never been captured in its records even though it would be valuable if recorded. Tacit knowledge includes such things as work processes, scientific discoveries, business methods and techniques, sales processes, operating matters, marketing approaches – virtually anything that adds value and gives the organization a competitive advantage.

Because knowledge – especially tacit knowledge – is power, some employees may prefer to retain it as their own “secrets.” But because of its significant value to the organization, tacit knowledge should be captured and recorded.

Taking the Lead

According to Georg von Krogh, author of “Knowledge Sharing and the Communal Resource,” which appears in *The Blackwell Handbook of Organizational Learning and Knowledge Management 2003*, conducting a tacit knowledge capture program can be successful if those responsible are:

1. Perceived to be an integral part of the company operations and are not insular to it
2. Sensitive to the quality of the information they hope to collect
3. Appreciative of what information, knowledge, and expertise will likely be useful to business operations
4. Committed to and fully engaged with the tacit knowledge collection task



This means that information management (IM) professionals are in an ideal position to capture the tacit knowledge of employees who walk out the doors every evening – or permanently, in the case of those who retire or resign. Their understanding of the organization's business and the information it creates, uses, and distributes gives IM professionals unparalleled insight into the tacit information, knowledge, and expertise that need to be harvested.

It would be wise for IM professionals to partner with their organization's attorneys, who can advocate for the importance of capturing tacit knowledge as the way to protect corporate interests. They know that hav-

ing access to the organization's most complete information, knowledge, and expertise enhances the ability for it to comply with myriad information-related laws and regulations.

Selling the Program

The keys to selling a tacit knowledge capture program to company leadership are:

1. Giving examples of tacit knowledge capture programs that added substantial value to a company
2. Proposing an initial modest experimental program and using the results to prove what a major benefit an expanded program could be to the organization

Xerox offers a good example of how capturing tacit knowledge has helped its bottom line, as described in Kerry Doyle's 2016 article "Xerox's Eureka: A 20-Year-Old Knowledge Management Platform That Still Performs" in *Field Service Digital*.

Introduced in North America in 1996, Xerox's Eureka platform allowed repair service technicians to use laptops to input their creative solutions to problems that were not already documented in their repair manuals. Accordingly, their solutions were made available to others on the team, which increased success and sped up repairs.

Now available globally and accessed even more easily via mobile devices, Eureka continues to collect Xerox techs' tacit information and has saved the company – by its own estimate – more than \$100 million since its inception.

With legal on board, propose a tacit knowledge capture program as a modest experiment – a pilot test – for a short time. By periodically reporting on its positive results, there will be rationale for expanding the program in stages throughout the company.

Getting Started with Interviews

This test program could consist of interviewing a set number of employees, including any who are planning to exit the company soon; speak to perhaps one or two of them per day. Alternatively, interview employees periodically, formally asking them to describe their work responsibilities and the things they'd do to improve their jobs and the organization itself. (See sidebar "Interviewing to Capture Tacit Knowledge.")

To help assure interviewees that they can be candid in responding, apprise them of the security controls applied to the database that will limit access to those responsible for extracting the valuable information for senior management.

A less-intensive approach is to more passively capture employees' tacit knowledge every day. For

Interviewing to Capture Tacit Knowledge

There are many interview techniques for capturing tacit knowledge; this one has worked well for the author.

1. Prior to the interview, research the interviewee's work responsibilities.
2. Begin the interview by explaining:
 - Its purpose
 - That it will be recorded to capture the conversation more accurately
 - There will be a chance to review the interview transcript, if desired
 - That the knowledge shared will be recorded in a secure database
3. Ask the interviewee to explain, in as much detail as possible, what his or her responsibilities are.
4. Listen carefully, then ask for elaboration on each of the responsibilities.
5. Ask the interviewee specific questions designed to capture tacit knowledge that was not revealed during the exchange above. (See sample questions in the next section.)
6. Transcribe the interview.
7. Offer the interviewee the opportunity to review, correct, and add to the transcription, and update the transcript accordingly.
8. Sift through the transcript to identify the value-adding important "nuggets" that will augment the tacit knowledge database, helping the organization improve its operating capability.
9. Enter the "nuggets" into a database that is indexed by functional areas so they can be reviewed by top management for possible action. (See sidebar "Tacit Knowledge Capture Database Example.")
10. Use this process for every departing employee and repeat it regularly, say every three years, for every employee.

Following are some sample questions for capturing tacit knowledge:

1. How long have you been with the organization?
2. How long have you been in your current position?
3. What were your areas of responsibility with your previous organization?
4. What is the main area of responsibility with this organization?
5. What are the other areas of responsibility with this organization?
6. Do you think you are paid fairly?
7. What do you think this organization's strengths are?
8. What do you think this organization's weaknesses are?
9. What competitive threats does the organization face?
10. What are the opportunities for this organization that it is not taking?
11. What factors make you want to work for this organization?
12. What factors make you consider leaving this organization?
13. Why do you think people leave the organization?
14. Based on your experience with this organization, what would you recommend be changed or improved?
15. Based on your observations with this organization, what would you recommend be changed or improved?
16. What would you tell the person who will succeed you?
17. What administrative processes do you feel are valuable to keeping you with the organization?
18. What administrative processes make/made you want to leave the organization?
19. Who are the best managers in the organization and why?
20. What things did you think of before the interview that we haven't discussed?

example, consider asking employees to record their daily lessons learned. Their personal computers could ask a question each day along the lines of “What are all the things you learned today that are not otherwise recorded?” This question must be answered before the computer will allow the user to perform other tasks.

Whatever the method used for capturing this tacit knowledge, it is imperative for those being asked to share it to understand how they will benefit from their participation. Perhaps developing an internal scenario similar to the Xerox example above would be helpful. Knowing that a successful program will allow them to work with others to solve complex issues should provide intrinsic motivation for sharing their tacit knowledge.

Using the Captured Knowledge

At the end of the trial period, review the aggregated responses and identify the “nuggets” of knowledge that can make the company more efficient and effective and enter this information into a database. (See

sidebar “Tacit Knowledge Capture Database Example.”) Divide this valuable information into “management” and “operational” improvement categories that reflect the organization’s structure.

At regular intervals, communicate the list of nuggets to senior management. Without their regular consideration of the captured knowledge, the program’s value cannot be realized. If the senior leaders are impressed, they will likely approve a larger, more permanent program.

Recognizing the Value-Add

In addition to complementing the information, knowledge, and expertise that was previously documented in the organization’s records, capturing tacit knowledge can identify conflicts with those records. This provides IM professionals the opportunity to resolve the conflicts and improve the integrity of the organization’s information.

While capturing tacit knowledge may be a significant challenge and even a hard sell to the organization’s leadership, they will be pleased when

they see the value such a program can bring. **E**



About the Author: J. Edwin Dietel, J.D., practiced law for more than 40 years. He is the author of the 2017 (25th) edition of the Thomson Reuters’ Corporate Compliance Series’ *Designing an Effective Corporate Information, Knowledge Management, and Records Retention Compliance Program*, which comprehensively addresses the issues in this article. He also co-authored *The Sarbanes-Oxley Act: Implications for Records Management* and has written multiple articles on records management and corporate leadership. He earned a master of business administration degree from The Wharton School at the University of Pennsylvania and his juris doctor degree from The George Washington University. Dietel can be contacted at edjed@msn.com.

Tacit Knowledge Capture Database Example

Interviewee name: **Jane Smith**
 Interview date: **11/15/17**
 How long with organization: **7 years**
 How long in current position: **7 years**

Main area of responsibility: **Customer service**
 Subareas of responsibility: **Take orders; process payments**
 Main area of responsibility with previous organization: **N/A**
 Subareas of responsibility with previous organization: **N/A**

Functional area	Fair pay	Org. strengths	Org. weaknesses	Competitive threats to org.	Opportunities for org.	Factors for staying with org.	Factors for leaving org.
Admin	Yes	Longevity; social commitment	Not enough IT staff; entry-level staff not well trained	ABC Co. better website/cust. experience	Outsource for more IT help	Worktime flexibility; pay	Not enough help; can’t transfer to position that offers growth
Why others leave	From work experience, what org. needs to change	From observation, what org. needs to change	Best mgrs. / Why		Changes needed for position	Advice to successor	Other comments
Can’t advance; need health ins.	Provide more supervised training for new positions	Promote from within	Susan	Gives constructive criticism; supports prof. development	More say in process planning	Speak up about process issues; get MS Office certified	Want chance for more responsibility