

ENHANCING ORGANIZATIONAL PERFORMANCE THROUGH KNOWLEDGE MANAGEMENT: THE SECI MODEL AND THE ROLE OF TACIT KNOWLEDGE

Timtsy Sardana, Dr. M.S Verma

Research Scholar
Jagan Nath University, Jabalpur
timsysardana@gmail.com

Retired Professor
University of Delhi
msverma50@gmail.com

Abstract

Knowledge has surpassed traditional material resources like cash and land to become an invaluable asset for companies in the face of fiercer competition and a rising emphasis on sustainability. This study looks at how knowledge management might improve an organization's performance, with an emphasis on tacit knowledge—which is difficult to define, context-specific, and personal. The research examines how the processes of Socialization, Externalization, Combination, and Internalization contribute to the efficient management of both tacit and explicit knowledge using the SECI model created by Ikujiro Nonaka and Hiraakata Takeuchi. Externalization transforms tacit information into explicit forms through documentation and discourse, whereas socialization involves the transfer of tacit knowledge through face-to-face interactions and experiential learning. Combination is the process of creating new insights by combining previously established explicit knowledge, whereas Internalization is the process of incorporating explicit knowledge into one's own expertise through actual application. Organizations can improve their operational efficiency and maintain a competitive edge in a changing business environment by comprehending and putting these processes into practice. The strategic importance of knowledge management techniques in fostering organizational performance and assisting in market adaptation is emphasized in this study.

INTRODUCTION

The competitive landscape of today's changing corporate world is becoming more intense, and sustainability is starting to become a problem. Ensuring competitiveness and sustainability through the implementation of measures has placed a major emphasis on organizational performance. It is also acknowledged that an organization's resources have shifted from material assets like capital and land to knowledge, with knowledge now being one of its core resources (Muthuveloo*, 2017).

Knowledge is seen as a valuable resource and is crucial to a business in the ever evolving world of today. It is a crucial element that influences an organization's capacity to maintain its competitiveness in the marketplace. The growing importance and difficulties associated with knowledge and knowledge-sharing in researchers and practitioners now support organizations. Because it is a crucial strategic resource, firms have realized that having the ability to acquire, develop, share, and utilize it can provide them with a sustained competitive edge (Bhatt, 2002).

In many organizational processes, implicit knowledge—the kind that is context-specific, personal, and challenging to articulate or communicate—is essential. Understanding the management and transfer of tacit knowledge within an organization requires a grasp of the concepts of internalization, socialization, and externalization. In their work on organizational knowledge production, Ikujiro Nonaka and Hiraakata Takeuchi established the SECI model (Socialization, Externalization, Combination, and Internalization), which includes these ideas. Knowledge management must be the main emphasis of the organization in order to achieve organizational performance. In particular, the successful and efficient execution of daily job functions depends on the management of tacit knowledge. In turn, this will improve how well organizations execute.

Socialization (tacit to tacit): The process of imparting implicit information through conversations, observations, and practical experiences is referred to as socialization. This might happen through unstructured interactions like brainstorming sessions, mentoring, apprenticeships, or on-the-job training, when people pick up skills by watching and copying others.

Externalization (tacit to explicit): The process of turning implicit knowledge into explicit concepts is called externalization, and it frequently involves writing, contemplation, and discussion. Documents, instructions,

models, diagrams, and other forms of communication that represent and capture the underlying knowledge can be used to do this.

Combination (explicit to explicit): This is the most basic type of information sharing since new knowledge is created by combining, organizing, and classifying real-world knowledge sources, including papers.

Internalization (explicit to tacit): Internalization is the process by which people assimilate explicit knowledge and transform it back into tacit knowledge, usually through repetition and application. This entails acquiring and comprehending explicit knowledge (found in documentation and training materials, for example) and applying it in real-world scenarios to integrate it into one's own experience.

LITERATURE REVIEW

(Muthueloo*, 2017) This study aims to investigate and ascertain whether businesses have strategies for managing tacit knowledge, which is predicted to have an impact on their performance both visibly and intangibly. The basic components of knowledge creation—socialization, externalization, combination, and internalization—are the source of tacit knowledge management (SECI model). To achieve this goal, a quantitative empirical study using survey questionnaires was carried out. The statistical analysis's conclusion demonstrated the importance of tacit knowledge management in relation to organizational performance. But only socialization and internalization—among the four dimensions—contribute significantly to the effects of tacit knowledge management on organizational performance. The other three dimensions are externalization and combination. The results of this study support the views of academics and practitioners regarding the significance of knowledge creation and management, particularly with regard to tacit knowledge.

(Jana MATOŠKOVÁ, 2017) The goal of the study is to create a theoretical framework that conceptualizes how knowledge sharing inside an organization is indirectly impacted by practices in human resource management. The study makes 12 testable hypotheses regarding the indirect relationship between internal knowledge sharing and HRM practices. The proposed model may help future studies investigate how HRM practices affect knowledge management in a more intricate manner. The paper makes a theoretical contribution to the discussion of how managing knowledge affects HRM practices, which advances the field's research.

(Maria Luisa Farnese, 2019) The current study tests a multidimensional questionnaire with the goal of providing an evidence-based foundation for the SECI paradigm. The Knowledge Management SECI Processes Questionnaire (KMSP-Q) was created to measure the Nonaka-theorized knowledge conversion modes. The SECI model was operationalized using the KMSP-Q in two separate studies. In particular, Study One examined its eight-dimensional structure on 372 workers from various industries using both exploratory and confirmatory factorial analyses. In Study Two, the KMSP-Q factor structure was replicated in knowledge-intensive settings on a sample of 466 health workers in order to assess the construct validity and reliability. Additionally, the study looked into the distinct effects of each dimension on various organizational outcomes, such as performance, innovativeness, and collective efficacy. Overall, the results demonstrated that the KMSP-Q is a psychometrically sound questionnaire in terms of construct validity and dimensionality, with particular relationships between the various knowledge creation aspects and various organizational outcomes.

(Wesley Shu, 2022) Researchers presented a new approach to knowledge management in this study. The Team Spirit system for group problem-solving was modified for this study, and it was organized as a Ba for the SECI model. Then, in order to assess Team Spirit's impact on information externalization, knowledge combination, and knowledge internalization, he contrasted it with two other Ba implementations: email and in-person communication. He next assessed whether these processes of knowledge conversion could enhance the intention to share knowledge and the acquisition of knowledge.

An experiment using a 3*2 mixed factorial design was carried out. The findings demonstrate that, for each of the three knowledge conversion processes (internalization, combination, and externalization), face-to-face communication outperformed email communication and that, (a) team spirit was superior to the other two.

The more a team leads the knowledge conversion process, the more intent it has to share and acquire knowledge.

(Jianhua Zhang, 2024) The goal of the study is to investigate the connection between the significance of tacit knowledge and improvements in higher education. Thus, by gathering tacit information, this study seeks to investigate the variables influencing academic research success at Chinese universities. The socialization, externalization, internalization, and combination (SECI) model and knowledge management (KM) theory are the foundations of the research technique used in this study to achieve its goals. Data were gathered from postgraduate students at a Chinese university, and structural equation modeling (SEM) was used to analyze and test the model and hypotheses. The findings showed that through the development of tacit knowledge, social contact, internalization, and self-motivation positively affect academic research performance. Moreover, the results indicate that social connection might provide academic researchers with greater information acquisition than self-motivation, which can lead to advancements in research.

OBJECTIVE OF THE STUDY

To identify the HR practices that influence and boost the Tacit Knowledge Sharing Behaviour.

Background of the Objective: In order to gain a competitive economic advantage, knowledge as an asset and knowledge management as a process have drawn a lot of attention in the literature on strategic management and strategic HRM. Here, HRM is defined as a collection of procedures, practices, and systems that affect employees' performance, attitudes, and behaviors with the goal of enhancing their ability to learn and become more competitive, even to the point of fostering a culture of learning. (Hosseingholizadeh, 2019). The purpose of this research article is to examine the significance of each practice in enhancing tacit knowledge and making it accessible to all. There are numerous approaches to investigate knowledge management and implement it in practical settings. The researcher makes the assumption that there is tacit knowledge regarding the relationship between HR practices and the SECI model for this purpose. It will make clear the true status of knowledge management within the company.

METHODOLOGY

The quantitative method has been used in the study's data collecting and analysis. There are 250 employed professionals among the responders. A Likert scale was used to produce the questionnaire, which was then divided into demographic and tacit knowledge categories.

DATA ANALYSIS

We'll utilize correlation analysis to determine which HR procedures improve tacit knowledge management.

Correlation Analysis: It is a statistical measure, of the degree to which changes to the value of one variable predict change to the value of another. When the fluctuation of one variable reliably predicts a similar fluctuation in another variable, there's often a tendency to think that means that the change in one causes the change in the other. However, correlation does not imply causation. There may be, for example, an unknown factor that influences both variables similarly. Distinguishing between correlation and causation can be valuable when it comes to consumer data patterns, and provide valuable insights. The beer and diapers example is frequently used to highlight this in the context of marketing. This analysis will be used to determine how HR practices relate to the determinants of tacit knowledge.

Correlations		Total_HRPractise	Total_Socialization_Behaviour	Total_Externalization_behaviour	Total_Internalization_behaviour
Total_HRPractise	Pearson Correlation	1	.733**	.583**	.537**
	Sig. (2-tailed)		.000	.000	.000
	N	250	250	250	250
Total_Tacitknowledge	Pearson Correlation	.733**	1	.740**	.653**
	Sig. (2-tailed)	.000		.000	.000
	N	250	250	250	250
Total_Externalization_behaviour	Pearson Correlation	.583**	.740**	1	.551**
	Sig. (2-tailed)	.000	.000		.000
	N	250	250	250	250
Total_Internalization_behaviour	Pearson Correlation	.537**	.653**	.551**	1
	Sig. (2-tailed)	.000	.000	.000	

N	250	250	250	250
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** Correlation is significant at the 0.01 level (2-tailed).

Table 4.7 Correlation Analysis

Interpretation: - A Pearson correlation coefficient was computed in order to determine which HR practices influence and encourage the tacit knowledge sharing habit.

The correlation coefficient, also known as Pearson's r value, is the first. This is the Pearson Correlation graph, which displays the correlation between the variables and is indicated in yellow. The range of Pearson's r is +1 to -1, where +1 represents a perfect positive correlation and -1 a perfect negative correlation. A value of zero indicates that there is no linear association.

First, the results indicate that the HR Practice score and Tacit Knowledge sharing conduct have a highly significant positive correlation ($r = .733$, $p = .000$). Furthermore, there was a significant positive correlation between HR practices and externalization behavior ($r = .583$, $p = .000$). Additionally, there was a statistically significant [$r = -.537$, $p = .000$] relatively positive link between HR practices and internalization conduct.

In summary, as the above modes of information transfer, socialization, externalization, and internalization are connected to HR practices. When information is gained by going about and striking up direct talks with people, there is the strongest association (tacit to tacit) between HR practices and socialization conduct.

FINDING AND CONCLUSION

The goal of the study is to determine how HR procedures affect the growth of tacit knowledge. After performing a correlation analysis on the data, the researcher comes to the conclusion that HR practices positively relate to knowledge transmission through socialization, externalization, and internalization within the organization. As a result, it shows that socialization is the only factor that has a stronger relationship with HR procedures. This article presents evidence that HR procedures are essential to enhancing tacit knowledge within the company. It follows that other three elements ought to play a bigger role in the development of knowledge management.

SUGGESTION

For readers who want to grow and improve their organization's performance, especially those in management or senior management positions, this research conclusion may be enlightening. This study emphasizes how HR procedures support the development of tacit knowledge that is essential to an organization's expansion. However, the correlation study reveals that the organization does not legitimately own the SECI model. To facilitate knowledge production and management, the organization ought to support this paradigm. This strategy has the ability to provide working professionals with access to a wide variety of knowledge through various media.

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