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PERSON ORGANIZATION FIT AS A VEHICLE FOR KNOWLEDGE SHARING AND CREATION

Nonaka (1991) and Nonaka and Takeuchi (1995) brought knowledge to the fore by explaining that the success behind many Japanese organizations was due to their expertise in organizational knowledge creation, i.e. in their capacity to create new organizational knowledge, disseminate it throughout the organization, and embody it in products, services and systems (Wasonga and Murphy, 2006). Thus they argue that knowledge, and tacit knowledge in particular, is a source of competitive advantage. This argument is shared by proponents of the resource-based view of the firm and its associated strand the knowledge view of the firm (Barney, 1991; Grant 1996).

Knowledge and knowledge management, the processes of creating and exploiting knowledge, have received a good deal of attention in the academic and business literature (Newell et al. 2002). It is well known how codifiable knowledge can be stored (e.g. using databases) and used as required, but despite its key role in organization performance, little is understood about how to transfer tacit knowledge throughout organizations. It is however argued that while tacit knowledge is difficult to communicate, it can be acquired through personal relationships and over time (Badaracco, 1991) through apprentice-like relationships or through socialization (Nonaka and Takeuchi, 1995). Organizations may know that such behaviors are crucial to performance, but they are difficult to describe and very difficult to deliberately facilitate and develop.

In this paper, we argue that organizations exhibiting high levels of person–organization (PO) fit are environments where tacit knowledge is likely to be transferred more quickly and effectively than environments exhibiting low levels of fit. This is based on the notion that one component of PO fit is value congruence. Where value congruence is high, we would expect people to have easier communication, a shared mission and a common interpretation of organizational priorities. The relation between fit and socialization has also been well researched (Cooper-Thomas et al. 2005; Kim et al. 2005). It is on this basis that we argue that higher levels of value congruence may facilitate the transfer of knowledge and as a corollary if this knowledge is valuable higher levels of value congruence may lead to competitive advantage, although, as we note later, the picture is more complex.

To develop our argument that PO fit will enhance the transfer of tacit knowledge we use Nonaka and Takeuchi’s (1995) knowledge creation process. Nonaka and Takeuchi (1995) explain that knowledge creation is a dynamic process, which they call the spiral of knowledge creation or SECI (Socialization - Externalization- Conversion – Internalization) model.

The paper is structured as follows. We briefly review the model and define tacit knowledge in the first section. We concentrate on tacit knowledge as it is often argued to be a source of competitive advantage (Spender, 1996). The second section is dedicated to PO fit. This review is necessary as although there have been attempts to find a common conceptualization of PO fit (Kristof, 1996), Rynes and Gerhart’s (1990) view that PO fit is an ‘elusive’ construct still holds true (Kristof-Brown, 2000). Based on these two sets of reviews we then proceed by arguing that PO fit is critical to the SECI model and in particular to the first two patterns of knowledge creation i.e. socialization and externalization and hence that it should be of high concerns to managers and strategists.
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Tacit knowledge and the SECI model

Tacit knowledge

As mentioned in the introduction tacit knowledge is concerned with knowledge in organizations that is known to exist, but which is difficult to codify. The classic example in the literature is the ability to ride a bicycle. We know how to do it, but trying to explain to someone with words is practically impossible. Another one is that of engineers that can fix a machine or executive making decisions but cannot explain how they did it.

Before going any further, it might be worth developing the definition of explicit and tacit knowledge. Explicit (or objective) knowledge can easily be communicated (Winter, 1987). This means that it can be “written down, encoded, explained, or understood” (Sobol and Lei, 1994, p. 170) and “such knowledge is not specific or idiosyncratic to the firm or person possessing it” (Sobol and Lei, 1994, p. 170). Defining explicit knowledge is a way of highlighting what tacit knowledge is not. In what follows we concentrate on the characteristics of tacit knowledge.

As noted earlier, tacit knowledge is difficult to express. Polanyi suggests that “we can know more than we can tell” (1966, p. 4). Tacit knowledge is also context-specific and it is rooted in action. It is similar to know-how (Nonaka, 1991). It is for these reasons that knowledge management tools or systems that are not sophisticated enough to capture highly contextualized knowledge have been of little use to many firms. The characteristics described above explain why tacit knowledge can be argued to be a source of sustainable competitive advantage by the proponents of the resource-based view: it is unique, imperfectly mobile, imperfectly imitable and non-substitutable. Tacit knowledge is taken for granted and it is difficult to imitate or copy (Sobol and Lei, 1994). Tacit knowledge cannot quickly migrate, i.e. it cannot be transported to other firms, because the knowledge depends upon specific relationships (between colleagues, customers, systems etc.) and because “unlike knowledge of a computer code or a chemical formula, it cannot be clearly and completely communicated to someone else through words or other symbols” (Badaracco, 1991, p. 82). Tacitness also generates ambiguity because managers may be unaware the role of tacit knowledge as a source of competitive advantage. In other words, the relation between actions and results is causally ambiguous (Lippman and Rumelt, 1982).

Before proceeding further it is important to note that tacit knowledge is not always an asset to organizations. While often in the literature it is assumed that tacit knowledge is valuable, this is just one side of the coin. Tacit knowledge can also be source of dysfunctionality. It can become a 'competency trap' (Levitt and March, 1988), which can lead to 'core rigidities' (Leonard-Barton, 1992). They may block adaptation to changes in the environment, they may hinder innovation and they may lead to the continuation of inferior work practices. This suggests that one should not assume that tacit knowledge is automatically valuable it may also be dysfunctional. This being said considering that we are interested in how managers may enhance their firm’s performance we focus our attention here on valuable tacit knowledge, tacit knowledge that can help generate advantage and allow firms outperforming others.

SECI model

Nonaka and Takeuchi’s (1995) organizational knowledge creation model (SECI) is based on the interactions between tacit and explicit knowledge and it is argued that
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tacit knowledge can be transformed into the explicit knowledge and vice-versa. These transformations form the core of the knowledge creation process (McGee and Thomas, 2007). The SECI model has four distinct but interrelated stages.

**Socialization** is the transfer of the tacit knowledge of one person to another. It is the sharing of tacit knowledge through shared experiences. This knowledge transfer relies on direct interaction between people. For example, a new call centre employee might pick up how to relate to customers by sitting next to and listening to an experienced person do the job. This sharing is most likely to happen between people who have shared mental models and similar culture.

**Externalization** is the conversion of tacit into explicit knowledge through its articulation and systematization within the organization. The transfer of tacit knowledge can be triggered via dialogue or collective reflection, and specifically if the dialogue involves the use of storytelling and metaphors (Ambrosini and Bowman, 2001).

**Combination** involves the conversion of explicit knowledge held by individuals and groups into explicit knowledge accessible to the organization and the combination of various pieces of explicit knowledge into new explicit knowledge. This is the process where many knowledge management tools, information systems are used. Often this involves databases, emails, expert systems, meetings and the like. Combination is the key role of information systems within the firm.

**Internalization** is about converting explicit knowledge into tacit knowledge. Individuals here internalize the knowledge; they develop know-how via learning by doing. Another way of looking at this to consider it analogous to the end of the learning cycle where conscious competence becomes implicit almost an unconscious like competence. A good example is learning how to drive. At some point the learner begins to operate on ‘autopilot’ and no longer has to think about depressing the clutch or looking in the mirrors; it happens automatically.

**PO fit**

PO fit is just as elusive as tacit knowledge. Indeed, many commentators have referred to its elusiveness (e.g. Judge & Ferris, 1992). There have been many attempts to define it—the most highly-cited being Kristof’s (1996) integrative definition. In this paper, we refer to fit as a psychological construct. This is the sense of fit that is sometimes referred to as subjective or perceived fit (Kristof, 1996).

Little is known about how subjective fit manifests itself within organizations. Some (e.g. Schneider, 1987) argue that fit results in a homogenisation of the workforce resulting in less creativity. Others (e.g. Chatman, 1991) talk about fit facilitating relationships between people. In this paper, we draw upon narrative studies of fit (e.g. Billsberry, 2007) to characterize fit in organizations. These studies suggest that when there is a good fit between people, there is an associated level of comfort and informality that makes communication easier. Such people are better at reading each others’ interpersonal behaviour. In addition, there appears to be more contact between people; misfits, on the other hand, appear to shy away from contact and distance themselves from people they do not fit with.

**PO fit and the SECI model**
As explained earlier, three stages of the SECI spiral involve tacit knowledge (i.e. all except combination); this is knowledge that is difficult to transfer because it cannot be easily codified. Tacit knowledge is picked up by ‘osmosis’ (Spender, 1996). It develops over time (Leonard-Barton, 1992), is acquired through experience and where used (Ravetz, 1971). For these reasons, it can be understood why Pavitt (1991) suggested that the most effective way of learning tacit knowledge was through personal contact and discussions. Pursuing the same track, Sobol and Lei (1994) declared that “learning tacit knowledge and routines requires continuous day-to-day contact with the person, team or organization possessing such knowledge through an apprentice-like relationship where the routines are directly observed and practiced” (1994:171).

Bringing these characteristics of tacit knowledge together with the experience of PO fit clearly suggests that where there are high levels of PO fit, tacit knowledge is more likely to be transferred more easily. The improved communications and closer relationships in high fit environments are exactly the conditions that commentators have argued facilitates the transfer of tacit knowledge. Specifically, high levels of fit improve the transfer of tacit knowledge during the socialization (S) and externalization (E) phases of the SECI model.

It has been argued that employees’ sharing of different values is a barrier to knowledge transfer (Lam, 1997). Tacit knowledge is argued to arise from social interactions and collaboration of individuals within a shared social, organizational, and cultural context (Nonaka and Takeuchi, 1995). It means that knowledge creation and the transfer of tacit knowledge in the Socialization and Externalization stages depends on the interaction, shared communication and understanding and social relations in the organization. Organizations cannot create knowledge without the initiative of the individual and the interaction that takes place within the group (Bhalla and Lampel, 2007). For this to happen, socialization is needed. Socialization requires that individuals empathize enough to accept each others’ beliefs (Nonaka and Konno, 1998).

The aim of corporate socialization is to establish a shared set of values and beliefs (Nohria and Ghoshal, 1994). It facilitates the development of interpersonal networks (Van Maanen and Schein, 1979), which will aid the diffusion and creation of new knowledge across units within a corporation (Tsai and Ghoshal, 1998). In short socialization is key in the creation of both social networks and communities of practice, which research on tacit knowledge has shown to facilitate knowledge sharing (Brown and Duguid, 1991; Hansen, 1999).

This leads to the following propositions:

*P1 Working environments exhibiting high levels of fit are ones which readily facilitate the transfer of tacit knowledge.*

*P2 Working environments exhibiting low levels of fit are ones which resist the transfer of tacit knowledge.*

**A New Model**

The influence of levels of fit on the transfer of tacit knowledge can be modeled. As already discussed, working environments can be divided into ones with either high or low levels of fit. Tacit knowledge can either be beneficial or detrimental. This allows the development of a two-by-two matrix of the relationship (see Figure 1).

Figure 1 The interaction between PO fit environment and the transfer of tacit knowledge
This matrix is interesting because it illustrates that high levels of PO fit can be positive or negative to competitive advantage depending on the nature of organizations’ tacit knowledge. They are advantageous when the tacit knowledge is beneficial as it assists the transfer around the organization, but disadvantageous when the tacit knowledge is detrimental as it helps spread poor practice. Low levels of PO fit are helpful when organizations’ tacit knowledge is detrimental because it acts as an inhibitor on the spread of that unhelpful knowledge. But low levels of PO fit are unhelpful when organizations have beneficial tacit knowledge as it inhibits the transfer of that knowledge.

**Conclusion**
In the above we have explained that tacit knowledge is critical to the generation and sustainability of competitive advantage and hence that it is crucial for organization to find organizational mechanisms that enhance knowledge flows and improve the capability of organization to acquire new knowledge quickly. We have argued that high levels of PO fit can be one of these valuable mechanisms; but it can have a detrimental impact depending on the nature of the tacit knowledge that the organization possesses. POF is a means through which the strategic asset that is tacit knowledge can be transferred. Hence we believe that research into how organizational fit can facilitate the transfer of tacit knowledge is an important agenda especially in times of uncertainty when organization cannot afford not to have mechanisms for knowledge sharing and creation. One needs to know more about how one can practically transfer valuable knowledge throughout organisations.
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References


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