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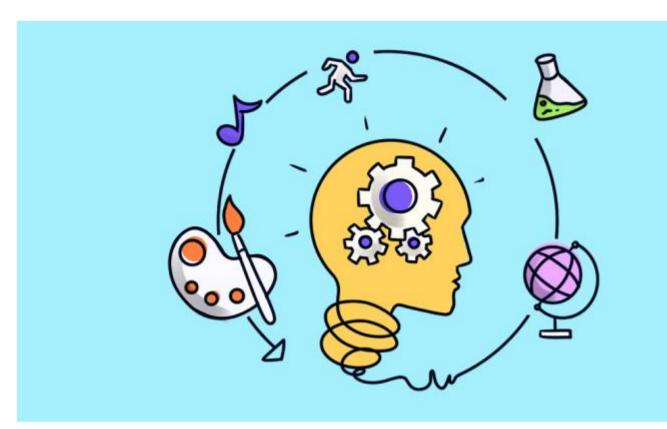
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# **Learning Center**

Tacit Knowledge: Examples, Benefits, and Best Practices

• Updated On: November 7, 2024



One of an organization's most significant assets is knowledge. This blog explores the benefits of capturing tacit knowledge, provides examples of this knowledge, and poses strategies for utilizing it to drive business growth.

#### What is tacit knowledge?

Tacit knowledge refers to knowledge that people gain directly without being taught. Also known as experiential or implicit knowledge, tacit knowledge is acquired mainly through experience.

Tacit knowledge includes skills, insights, intuition, and judgment. It can be the knowledge that employees gain through observation or interaction. Because of this, it is often difficult to extract, share, or transfer to another person.

A good example of tacit knowledge can be observed in driving, as it involves a lot of skill. While a manual can teach you how to interpret the signs on the road and use the car controls, your driving skills will most likely come from your own experience, which is tacit knowledge.

Driving a car is primarily intuitive and requires a lot of knowledge and expertise. Other common examples requiring tacit knowledge include:

• Playing a musical instrument well

Leadership skills

• Customer communication skills

• Craftsmanship skills

Tacit knowledge vs. explicit knowledge

Knowledge can be classified broadly into explicit and tacit knowledge. Though interconnected,

these two types vary significantly in terms of how people acquire, share, and apply them.

Organizations must understand these two types of knowledge to use them effectively. Some

differences between tacit and explicit knowledge are:

Mode of acquisition

Tacit knowledge comprises primarily of personal insights that people gain through experience.

Explicit knowledge, on the other hand, is usually more objective since it involves factual data that

a person can acquire by reading or studying.

**Content** 

Tacit knowledge requires abstract concepts like judgment, creativity, emotional intelligence, and

intuition. It is often context-specific and, therefore, requires much human interpretation to

understand. Explicit knowledge, however, relates to facts, procedures, methods, and best

practices. Its content exists as information that can be easily analyzed and organized. This

information can be found in research papers, data sheets, employee handbooks, and manuals.

Mode of transfer

Another difference is that explicit knowledge is mostly factual and readily communicable, making

it easier to articulate and transfer through formal methods.

Tacit knowledge is context-specific and based on experience, making it harder to express in words. Transferring this knowledge requires a lot of human interaction between the people involved.

Examples of tacit knowledge and explicit knowledge

In an organization, for example, tacit knowledge can take the form of a representative's ability to effectively handle <u>customer complaints</u>, de-escalate tense situations, or <u>say no to customers</u> politely. The customer service agent develops these abilities mainly through personal experience, which makes them difficult to articulate or document.

In contrast, explicit knowledge might take the form of user manuals and <u>FAQs</u>. A customer service rep can read this information, internalize it, and use it to provide known answers to questions and problems. Tacit knowledge is crucial in developing problem-solving skills, customer service savvy, and overall work quality.

Benefits of capturing tacit knowledge

When organizations prioritize capturing and using tacit knowledge, they can tap into their employees' collective wisdom. The goal is to make the knowledge readily understandable and usable by others, even those who have different or less experience, such as new hires.

Accessing tacit knowledge, therefore, has numerous advantages.

Preserves company knowledge

Company experts collect and retain a lot of knowledge throughout their careers. By capturing tacit knowledge, companies can transfer some of their insights into explicit information through shareable formats such as a knowledge base, ensuring a smoother transfer of expertise and institutional knowledge to other employees.

Leads to faster onboarding and skill development

Recording tacit knowledge promotes more efficient onboarding of new recruits by providing them with valuable insights from experienced coworkers.

By documenting these insights, like problem-solving shortcuts or best practices, new hires can learn from seasoned experts and get up to speed faster. This will accelerate their skill development and overall contribution to the team.

# Promotes collaborative workplace environments

Capturing tacit knowledge helps break down barriers to knowledge-sharing and improves the value of collective learning. The shift from a single person's wisdom to shareable resources and available knowledge creates a culture of open exchange and empowers everyone to learn from each other's expertise.

# Boosts productivity and employee efficiency

The recording of tacit knowledge <u>improves team productivity</u> and efficiency by making more solutions available constantly, enabling staff to perform their tasks faster without seeking out and taking the time of senior employees. Staff members with access to more strategies and complex solutions are more equipped to assist clients, complementing your <u>customer retention strategies</u>.

# **Improves decision-making**

When tacit knowledge is made available, many teams in your company can easily access critical insights and skills. By drawing on each other's experiences, they can make better decisions and solve issues quickly.

Additionally, experienced workers can easily handle complex difficulties using their intuition and understanding, which enables them to perform better at work and carry out procedures more efficiently.

# Fosters innovation and creativity

Employees who possess tacit knowledge are more likely to think creatively, investigate new concepts, and produce innovative solutions.

Capturing these ideas empowers members of your team to leverage the collective knowledge and stimulate the creation of out-of-the-box solutions.

#### Helps you gain a competitive advantage

Recording and utilizing your company's tacit knowledge can provide you with a strategic advantage in meeting evolving <u>customer expectations</u>, staying competitive, and <u>optimizing the</u> customer experience.

Implementing a strong <u>knowledge management system</u> can give employees expertise that your competitors may not have.

#### How can companies convert tacit knowledge to explicit knowledge?

The challenge lies in converting tacit knowledge into readily usable information. Companies can employ one or more of the following methods to capture this expertise and promote knowledge sharing.

# Develop a learning environment in your company

When you facilitate a culture of learning, you create opportunities for your employees to learn from each other and share knowledge.

This enables your team to capture and record key insights, learn from the best in your team, and become better and more efficient employees.

An employee training session

You can promote a learning environment with:

- Workshops: These are learning sessions that organizations conduct to develop the skills of their employees. They often incorporate different training scenarios where experts take questions and impart their knowledge to other staff.
- **Team building exercises:** Team building activities create a good environment for brainstorming, enabling everyone to freely share their experiences, stories, and unique skills.

This equips employees with creative approaches and problem-solving abilities.

# Develop an internal knowledge base

Create a comprehensive internal knowledge base to allow your employees to document, share,

and find ideas, solutions, and experiences.

Encourage input and feedback from various departments on articles to keep them relevant and

promote a culture of continuous learning in the workplace.

Foster a culture of collaboration and mentorship

Organized collaboration among coworkers fosters an atmosphere where people can express their

ideas, exchange experiences, and ask questions.

Moreover, it facilitates open lines of communication and enables staff members to feel

comfortable working together to achieve company goals.

A good way to promote collaboration is by setting up peer-to-peer learning groups and themed

workshops.

A peer-to-peer learning group

Additionally, pairing experienced employees with less experienced ones can be a good

opportunity for both groups to grow.

**Actively encourage documentation** 

Another way to capture and convert implicit to explicit knowledge is to have your team members

record and document their ideas and best practices.

Composing documentation lets experts within your organization break down thought processes

and decisions into detailed steps and tips, making their know-how readily available for use.

By continuously gathering feedback from colleagues, you can identify knowledge gaps and

capture undocumented insights to fill the gaps, strengthening your overall knowledge base and

training materials.

Create online messaging groups

Instant messaging groups are a great method of sharing tacit knowledge, as employees can ask questions of their team in general and team members can share their advice.

Giving staff members access to platforms like <u>Microsoft Teams</u>, <u>Zoom</u>, or <u>Slack</u> can encourage teamwork on projects and open communication.

Discussions on most community platforms are archived, allowing employees to revisit and refer to these exchanges in future.

# Include storytelling in your knowledge management system

You can leverage storytelling to add more depth to knowledge documentation and better reflect your team members' experience and expertise.

You can set up team meetings, in-house forums, or workshops where employees freely tell stories of difficult situations and hard-won successes or lessons, allowing the widespread dissemination of this information.

Record these discussions and make transcripts to capture the tacit knowledge and use it for future reference.

# **CONVERTING TACIT KNOWLEDGE TO EXPLICIT KNOWLEDGE** Develop a learning environment 1 Foster a culture of colaboration 2 Develop an internal knowledge base 3 Create online messaging groups 4 Actively encourage documentation 5 Incorporate storytelling in your KMS 6 Bold Desk

# Practical tools for capturing tacit knowledge

Several tools can help bridge the gap between people's understanding and their inability to share it with others.

# Knowledge management system

Tacit knowledge is often complex to document and, therefore, challenging to capture. As mentioned several times in this blog, knowledge management software makes it more accessible through:

**Question and answer sections**: Knowledge management software provides a space where employees can seek help and get responses from experts within the organization. These sections promote knowledge sharing and the transfer of tacit knowledge.

**FAQ software**: An <u>FAQ</u> database contains information about common issues clients face and their solutions. It often includes expert responses that other employees can learn from and use in future customer interactions.

**AI and machine learning**: An efficient knowledge management system uses artificial intelligence to analyze and categorize patterns in discussions, documents, and interactions, helping to uncover tacit knowledge.

#### **Customer service software**

Modern <u>customer service software</u> has several features that make capturing and sharing tacit knowledge easy. Some of the features include:

# **Ticketing system**

A ticketing system enables service agents to comment on resolved tickets. These tickets capture how issues are resolved and can be a source of learning for other agents.

Agents can add notes to tickets; in some systems, tickets can be transferred to internal knowledge bases with minimal configuration.

# Knowledge base

<u>Help desk software</u> often integrates with knowledge bases, where agents can create articles based on their experiences solving specific problems. This process turns individual insights into shared resources.

#### **Collaboration tools**

Collaboration tools such as Microsoft Teams and Slack provide accessible communication channels for team members. These tools allow employees to plan meetings, chat, share videos, and exchange questions and ideas.

Features like <u>shared inbox software</u> also allow employees to observe and learn how other agents resolve issues in real-time. These conversations can capture the communication skills of seasoned agents.

# Leverage tacit knowledge to grow your business

Capturing tacit knowledge can improve business operations and help your support team provide outstanding customer service.

Businesses should create an environment that promotes knowledge-sharing to enhance customer service interactions and propel their overall business performance.