

# Tacit Knowledge in Organizations



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The proliferation of books, new journals, consulting groups, academic conferences, Web sites, and so on dealing with knowledge management (KM) pushes us to recognize two things. First, the KM literature speaks to a widely felt need. Second, a large number of people seem able to use a wide variety of methods and ideas to make themselves felt and perhaps even prosperous meeting this need. We can wonder whether there has ever been a previous occasion when so varied a community—currently including hard science computer specialists, new wave management gurus, biologists, chaos theorists, forward-looking accountants, cultural anthropologists, and epistemologists—all think themselves engaged in so similar an enterprise.

In this book Baumard brings classical epistemology together with a historian's approach to four contemporary business situations. The result is a sharply drawn knowledge-based theory of the firm—or, rather, of its management. Baumard is interested in a particular model of corporate strategizing, which he defines as finding ways to deal with the "fog" and confusion that periodically overcome organizations in today's hypercompetitive environment. There is an allusion here to Von Clausewitz's (1984) expression about "the fog of battle" once what has so long been carefully planned is actually joined. In each of the four minicases, firms found themselves in contested situations that strategically disoriented them. Baumard's theory is that firms make progress through such fog by strategically shifting the way they think (their adopted epistemology), as

well as what they think about. He illustrates this with the well-established 2 X 2 matrix of knowledge types (epistemologies), and he argues that their senior executives strategically repositioned or changed their firms' thinking during a process of strategic reorientation. His method is to plot their firms' tracks around the matrix.

Baumard's remarkably practical conclusions emerge from a book that is sometimes as foggy and disorienting as the matters with which it deals. It will challenge readers used to crisp writings about networked access to integrated corporate databases. It will also challenge readers used to vague and ungrounded musings about organizational learning and "learning organizations." This is partly because the book has been translated from the French, partly because of the difficulty of this material when handled at a profound level, and partly because the book is written by someone born into the French discursive philosophical tradition. The result is decidedly uneven and at times seriously difficult. That said, there is no doubt that this book is a heavyweight contribution to the KM literature. With it Baumard identifies a new way of tackling an emerging academic research territory that we might describe as an epistemological historical approach to strategic analysis. Even in this initial and relatively underdeveloped state, Baumard's approach will influence those who understand that the promise of a knowledge-based theory of organizations, their modes of competition, and their management is that it takes us well beyond reclothing familiar modes of organizational analysis in new rhetoric.

Baumard's research strategy is interesting and innovative. He begins by addressing the paradox of making statements about knowledge. Are such statements metaknowledge or simply alternative versions of the knowledge about which they speak? Unlike those who write easily about knowledge as information that can be readily stored and moved by information systems, Baumard reminds us that knowledge is strange stuff indeed. He shows us that we need to do some really hard thinking before we can say anything nontrivial about it.

Baumard segues into his chosen epistemological vantage point by drawing on the work of E. Morin, a French philosopher little known in the United States. Morin's thinking has parallels with C. S. Peirce's, especially the relationship between his notion of inherence and Peirce's notion of indexicality—that language is only meaningful because it is located in an uncaptured or tacit social context, which is at least partially known by both speaker and listener. Baumard uses this attitude to argue for an ethnographic or participant-observer status: one must belong to a world to claim to know it. In his hands this is not an abstract methodological point; on the contrary, it is a crucial epistemological point. Immersion in the appropriate practice is the only way a researcher can access the organization's tacit knowledge—noted in the book's title and the target of his inquiry.

The familiar conjunction of the distinction between explicit and tacit knowledge, and the other between individual and collective knowledge, gives Baumard four types of knowledge to play with. In the first three chapters, as he elaborates this matrix, he shows a flexible, sympathetic, and comprehensive grasp of a wide range of literature that probes alternative forms of knowledge and, even more important, alternative ways of human knowing. These chapters, which must have been fiendishly

difficult for Ms. Wauchope to translate, are in some ways the least satisfactory of the book. They are Baumard's attempt to integrate his highly idiosyncratic position into the existing KM literature. As such, they are the mandatory baggage of an academic work: the literature review that precedes the researcher's empirical work and conclusions. But Baumard's task is made more difficult because the KM literature is so divergent, embracing so many contradictory notions of knowledge. It might have made for easier reading if Baumard had simply stated his epistemological assumptions and worked forward to his own conclusions.

The principal benefit of adopting a 2 x 2 matrix of knowledge types is that it gives the researcher a way of considering abstract types of knowledge, as well as those that are tacit whether that means known only below the level of consciousness, or only as action, or only collectively. From this position Baumard can protest what has been lost, overlooked, or suppressed in contemporary organizational analysis in its attempt to conform to the principles of a positivistic science. Most important, he wishes to draw attention to metis, roughly translated as conjectural intelligence or cunning and distinct from the more familiar forms of knowledge: episteme (abstract generalization), techne (capability), and phronesis (practical and social wisdom; p. 53). Metis is a classical Greek concept, recently reintroduced to French sociology by D tienne and Vernant (1978). Baumard defines metis (p. 54) with such terms as pragmatic, heuristic, particularistic, creative, and imaginative ability. (There is an interesting but unnoted allusion here to Popper's 1962 influential work, *Conjectures and Refutations: The Growth of Scientific Knowledge*). For Baumard, metis is the key to his entire theory. In the absence of appropriate knowledge (abstract or practical), metis gives one the ability to

move through (to penetrate; p. 229) the fog mindfully.

With these ideas and an ethnographic methodology in place, Baumard leads the reader through the process of reorientation in four different corporate settings. His treatment is unusual because it focuses less on the managerial decisions and actions that we have learned is the real stuff of business cases than on the subtler issues of managerial thinking and attitudes. Baumard's typology enables him to grasp many of the phenomena observed or discovered in his historical researches but that a normal case writer would be obliged to ignore. The result is often more like a novel than a piece of academic literature, but these chapters have a pace, immediacy, and liveliness that give the reader a real understanding of each firm's situation and of what the principal actors were trying to do.

Toward the end of the book, there are some echoes of a classic type of contingency theory. In at least three of the four cases in which firms became disoriented, their managers resorted to traditional rationalist modes of thinking, as would be suggested in most conventional organizational analyses—that is, more ambiguity drives more data collection. The managers of these firms thought that given their increasing sense of uncertainty, more business intelligence, more data, more structure, and more control would enable them to move ahead more confidently. The importance of Baumard's research is to emphasize how seldom this works in practice. The trajectories he describes as the firms move through the epistemological space of the 2 X 2 matrix indicate that rational approaches to disorientation and strategic uncertainty mostly make things worse.

Baumard's point is that new thinking is required—thinking that describes the world in new ways and, thus, provides new insights and opens up new options. This is easier to

say than either to achieve or to implement. In his concluding chapters Baumard discusses some general principles or heuristics that managers might bear in mind as they confront the fog of strategic disorientation.

But there are two rather different ways of looking at what Baumard does at the end of the book. There is a highly dubious attempt to draw something general from a sample of four really quite different cases. No way—nor are there even the customary caveats about more research being needed. Fortunately, this is not what Baumard really wants to give us as a conclusion.

There are a number of wonderful sentences that show Ms. Wauchope really summarizing Baumard's thought: "Should we really become involved with an explicit engineering of the foundation of meaning in organizations?" (p. 204), and "The organizations studied escape ambiguity when they cease concentrating on the reduction of complexity, but, on the contrary, direct their efforts towards its penetration" (p. 229). There is the intellectual pleasure of meeting some old and influential friends again—especially Simmel and Doi - as Baumard grapples with the organization's sense of self, for he sees that tacit knowledge is its basis.

Thus, these case studies illustrate less how managers might manage the firm's tacit knowledge than that disorientation is really a loss of identity—and that it can be recovered under imaginative and skilled leadership. The most important and strategic aspect of a firm's history must surely be how its identity is reshaped and recovered after such a loss. Here, Baumard grasps the real core of the strategic theorists' endeavor: how to forge, sustain, and recover the organization's identity under conditions of uncertainty that rupture the firm's boundary spanning activities and corrupt its rational core (Thompson, 1967). His willingness to go

right to the heart of this puzzle links his work straight back to Knight, Barnard, and Simon - those greats who showed us what a theory of corporate strategy would really have to do.

In spite of its difficulties and peculiarities, this book is a real tonic for academics and practitioners who find the current strategic discourse about core competencies and scarce, valuable, sustainable, and inimitable resources interesting but somehow too abstract, too arid, and too lacking in relevance to the real facts and situations of corporate life. It offers an alternative point of view and, in so doing, indicates powerfully why the KM literature in spite of its lack of coherence appeals so much and

offers us a real possibility of being the "next new thing" in our field.

#### REFERENCES

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