

Business knowledge and management of organizational change in small-scale businesses in Port Harcourt metropolis

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Abstract

The study investigated the business knowledge and management of organisational change of small-sized manufacturing businesses in Rivers State. The study adopted a correlational research design and a census technique was employed for selection of one hundred and thirty four (134) entrepreneurs from Small-Scale Business Manufacturers in Port Harcourt Metropolis. A self-structured “Business Knowledge and Management of Organisational Change Questionnaire” was designed to collect data from the respondents. The reliability of the instrument was tested using Cronbach alpha coefficient to obtain 0.78. The data collected were analyzed using mean and standard deviation, while the hypotheses were tested using Pearson Product Moment Correlation at 0.05 level of significance. These findings reported positive and significant relationship between explicit, tacit, embedded knowledge and management of organisational changes. This implies that the various dimensions of business knowledge applied in small-sized manufacturing businesses inspired creativity, increased organisational ideas and innovation, increased staff memory, acquired knowledge necessary for driving technological advancement of the organisations. It therefore significantly contributes to staff productivity and better recruitment and staffing policies, infused more incentives to encourage employees’ commitment and keep the organization afloat in the midst of competition. Based on the findings, owner-managers must maintain and boost employees’ memory through acquisition of knowledge and technology to drive growth and increase staff productivity. Different ways of sharing knowledge, new ideas and information should be evolved in the organization to enhance employee productivity and innovation. Owner-managers must constantly and regularly engender the culture of knowledge practice that center wholly on innovation workshops, brainstorming session and create knowledge bank to provide description of key tasks.

Keywords: Small-Scale Business, Business Knowledge, Tacit Knowledge, Explicit Knowledge, Embedded Knowledge, Organisational Change.

Introduction

The notion of small and medium enterprises (SMEs) was introduced into economic development landscape as early

as late 1940s, and the primary aim was to improve trade and industrialization in present developed nation (Organisation for Economic Co-operation and Development, 2004). SMEs are important economic

stimulus for job creation and economic development of nations. As Agwa-Ejon & Mbohwa (2015) had observed, SMEs played key role in the economies of major industrial societies in both Gross Domestic Product (GDP) and employment generation. Statistical definition of SMEs is usually derived in each country, based on the role of SMEs in the economy, policies and programmes designed by particular agencies or institutions powered to develop SMEs, number of employees, value of sales and / or value of assets. For instance, small –sized businesses in the developed economies of countries like Japan, Germany and United States of America (USA), may be medium or large-scaled businesses in developing economy like Nigeria. SMEs can be defined based on certain criteria including, turnover, number of employees, profit, capital employed, available finance, market share and relative size within the industry. Small and Medium Enterprise Investment Scheme (SMEIS) guidelines described SMEs as any enterprise with the maximum asset base of 200 Million naira (excluding land and working capital) with no lower or upper limit of staff. Small and Medium Enterprises (SMEs) are enterprises with a maximum asset base of N500 million excluding land and working capital and with the number of staff employed not less than 10 Or more than 300 (Central Bank of Nigeria, 2005). Umar (2007) described small scale enterprise as privately owned and operated organisation, characterized by a small number of employees and low turnover. This however implies that small enterprises only share and control small segment of the market in their local environments. SMEs could simply be described as an organisation that is run within the jurisdiction of a sole proprietorship. Today's organisations are probably more complex and dynamic owing to the overwhelming influence of digitalization. The digitalized economy creates windows of wealth generation opportunities and investments for real entrepreneurs and companies through application of knowledge, networked human intelligence. SMEs constantly are faced with change and studies indicate that successful changes increase employee well-being and integrity, reduce economic tension, and enhance motivation and job satisfaction.

More than decade ago, many SMEs have changed the way they operate due to waves of various business technologies to minimize operational costs and ensure efficiency. This dynamism in today's business environment has equally resulted to high rate of change in response to global competition and emergence of new technologies. Information technology is crucial to economic performance. Access to technology and its application not only open up new possibilities but also increase the capacity of the organisation to compete with other similar firms for the latest knowledge in their respective industry. Byukusenge & Munene (2017) had observed that knowledge is an essential catalyst for creating wealth and prosperity. It is an important determinant of business success and a critical source of organisation's competitive advantage (Drucker, 1985, Riege, 2007). Business Knowledge therefore is

referred to interchangeably as knowledge management (KM). However, business knowledge as focal point of this study has assumed unusual popularity because of the increased awareness of the importance of knowledge for organisation's prosperity and survival. Business Knowledge has been conceptualized and contextually applied in different situations because of its importance to SMEs operation. Since the emergence of globalization and digitalization technology with its concomitant opportunities, most SMEs today have updated, upgraded their operational systems and drive their innovation with customized knowledge adding value to the businesses. Besides the numerous challenges and problems, globalization flexibility and adaptability connects SMEs to global markets. These organisations are thus actively involved in research and innovation in order to be competitive especially in price, quality of goods while enhancing their capacity to meet delivery requirements. To reduce costs, owner-managers restructure and downsize their operations and outsource activities, utilize self-managed teams and empower their workforce in order to increase efficiency and effectiveness. There is a growing consensus amongst researchers that it is only through knowledge productivity and economic growth can be possible, increased and is achievable. Despite these observations, there still is so much inconsistency in research because scholars have approached the domain of Business Knowledge from different perspectives. The review from extant literature indicates that most of the previous studies on organisation knowledge focused on large-scale organisations without paying adequate attention to small organisations which formed the hub of the economy. Business knowledge acquisition and application by SMEs as observed by scholars is quite insignificant amongst developing countries. Hence, Tee, Oun, Kuek & Chua (2012) call for further research to enrich the empirical studies on the relationship between knowledge management and innovation in SMEs has become imperative. The paucity of empirical studies in this topical issue has prompted this research interest.

Management of Organisation Change of SMEs

Management of organisational change means planning and realization of changes that concern organisation's strategic success factors. Hetherington (2011) stated that no matter the nature of the change, it is always people who will be affected somehow. Therefore, managing change presupposes that much attention is given to people who make the organisation function. Any change that involves changes in individual conduct requires incorporation of methods that guaranteeing such changes. For instance, authoritative change is bound to be met with progress when key administrative individuals start and bolster the change procedure (Awah & Ghaziri, 2007). Hierarchical change is best practiced when people liable to be influenced by the change are brought into the procedure as quickly as time permits. Markovic (2008) had observed that

successful companies in the future are those organisations who harness the full potential of the entire organisation to respond to the continue business environment radical transformation. These companies regardless of their operational scope must be ready to respond swiftly to changes and skillfully create opportunities and exploit them. Studies have also shown that 70 percent of organizational changes fail to attain their goals, perhaps because of inept organizational leadership (Abbas & Asghar, 2010). Leadership plays central role in evolution and cultivation of organization. The process of organisational change requires a vibrant and highly competent leadership capable to refocus the organisation in order to address the issue of organisational change promptly. Successful SMEs willingly accept, adopt and implement changes in their business model to respond to changing trends, technologies, customers' preferences and future concerns. The ownership conception of SMEs clearly support the assumption that leader is a change agent who can manage an organization or the process of organizational change more effectively and successfully. Visionary leaders with innovative approach who make change happen successfully are very crucial to organization's sustainability. Business environment today though more networked within and among companies is more volatile must hence manager-owner must muster and disperse the ability to manufacture value across the organisation. Both managers and employees must continually transform, upgrade themselves through on-the-job or off-the-job professional training to cope with unstable market conditions, competition and emerging technologies. According to Kickul & Fayolle (2007: 7) "technology holds considerable potential to increase the effectiveness in the acquisition of knowledge both in corporate training and in the higher education environment". Agwa-Ejon, & Mbohwa (2015) posits that continuous research and innovation strategies enable SMEs evolve and adapt to the globalization trends. Research and development brings about new knowledge, application of new knowledge creates innovation and innovation helps business to survive and outperform other competitors especially in terms of market share, profitability and growth (Essays UK, 2013). The characteristics of SMEs include the creation of something new or improvement, value addition of a product or service which generate new socio-economic value (Krause, Schutte & du-Preez, 2012). Knowledge provides managers the framework for thinking about and understanding organisational change and innovation. Byukusenge & Munene (2017) opined that for innovation to happen knowledge must be effectively managed, that is, it must be well sought, shared and applied among SMEs staff members. Besides, staff capacity building, exposure to real world and experience sharing promotes innovation. On the other hand Innovation is a bolsterer of organisational performance hence owners of SMEs constantly seek innovative problem solving so as to remain competitive. Management of knowledge resources strengthened the enterprise and thus swiftly responds to

challenges in competing environment and improve business performance. In the past decades and even now, majority of researchers have related knowledge to different aspects of business operations. Knowledge dominates today economy and business environment. Knowledge is a valuable organisational asset, a prime determinant of organisation success, business performance and profitability and how businesses respond to challenges. According to Gubik & Bartha (2014) referring to the OECD's report on knowledge –based economies opined that members' economy is based more and more on knowledge and information.

Business Knowledge is an important strategic asset. Business Knowledge is the sum of skills, experiences, capabilities and expert insights, which an organisation collectively creates and applies in business operations. Organisational knowledge is a share-resource that shapes and affects all the activities in and around the organisation. Business Knowledge is termed as the business owner's reservoir of understanding on customers' needs and preferences, business environments, and their dynamics, staff skills, experiences and potentials and the business overall foreseeable direction. Small scale business owners create business culture where values and places high premium on knowledge employees shared knowledge; skills determine how successful the business becomes. Business Knowledge consequently leads to business efficiency, improved products and services, customers' satisfaction, staff productivity and knowledge licensing and sales. Markovic (2008), Juvonen (2102) noted that knowledge has been identified with two fundamental characteristics, namely, tacit knowledge and explicit knowledge. Also Gubik & Bartha (2014) using the two-dimensional model of business knowledge separated business knowledge along two dimensions: the tacit or explicit, codified or uncoded knowledge. Similarly, the dual knowledge model has been adopted from the study of Gubik et al to explain how closely related business knowledge and management of organisational change of Small Medium Enterprises. The dual typology isolates individual-bound knowledge from explicit one and also corporate –bound knowledge from the general component which can easily be communicated, transferred, and applied in different contexts rather than the tacit business knowledge. The model is based on specific domain, that is, tacit aspect of business knowledge and explicit non-specific component which is uncontrolled. The dual model five main elements identified by scholars include competence of employees, owner-manager focuses on the ability of employee to create new physical and intellectual value through interactions. Secondly, the organisational beliefs and habits integrate the different hierarchy of employees particularly those in managerial position and those down the lower hierarchy (subordinates). Organisational beliefs and habits unconsciously transfused into the minds of the employees contribute to efficient operations. Thirdly, connections of employees mean internal cohesion and employees' participation in creating

and diffusion of knowledge. Employees use advantage of their wide network of social engagement to learn and solve problems. Lastly, corporate procedures, organisations derive their operational existence from tacit knowledge. Most explicit knowledge possess by organisations has been mainly attributed to tacit knowledge of the company. Henshaw and Smith (2013) however expanded business knowledge into three fundamental domains, namely; tacit knowledge, explicit knowledge and embedded knowledge which provide the needed conceptual foundation in this study. Business knowledge is further classified into know what (information-knowledge that can easily be documented), know why (knowledge of scientific rules), know how (skills and experience for solving problems), and know who (information and experience about people with expertise /professional knowledge of certain specific problems). Knowledge –Based Theory (KBT) as applicable to this study is centered on the notion that knowledge when properly manage, it creates distinctive capabilities which eventually lead to improved business performance through innovation (Leal-Rodrigues, Leal-Milian, Roldan-Solgueiro,& Ortega-Guterrez, 2013). Consequently, superior business performance is achieved through effective knowledge management driven by innovation (Ben-Zaied, Louati & Affes, 2015. Innovation indicators such as introduction of new products, discovery of new markets or restructuring an existing organization are catalysts for business performance. Business performance in this context can be measured in terms of profits, sales growth and market share and market control. Business Knowledge or knowledge management is that knowledge acquisition; knowledge sharing and knowledge application infuses into creativity, innovation and high business performance.

Tacit knowledge is personalized know-how or skills rooted in experience. It can be expanded through an individual's experiences. Knowledge creation in organisation is spiral process between explicit and tacit knowledge, that is, interaction that results into new knowledge creation. Organisational knowledge is created through a continuous dialogue between tacit and explicit knowledge. In recent literature, some studies outlined four dimensional components of interactions, socialization (sharing and creating tacit knowledge through direct experience), combination (combining explicit knowledge with support of information systems), internalization (converting explicit knowledge to tacit knowledge through practice), and externalization (converting tacit knowledge to explicit knowledge through dialogue and reflection) all directly influence the process of organisational knowledge creation (Juvonen, 2012, Nonaka, 1994, Nonaka & Toyama, 2003). According to Davenport & Prusak (2000) tacit knowledge is a complex process of comprehension which is difficult to understand because it is hard to digest. But tacit knowledge is assessed through capabilities, skills, and ideas employees may possess mentally. Tacit knowledge is the basis of explicit knowledge and is a tool that facilitates the acquisition and creation of new

knowledge. Tacit knowledge is most times used as substitute for intuition, logic, associative skills and experience, tradition concurrently to identify and understand new knowledge integrating individuals into the society. Tacit knowledge is a type of business knowledge which is usually part of a long term accumulation through learning process that often starts as more systematic scientific understanding of a technology or process (Senker, 2001). It is somehow activated by generating new scientific knowledge, (learning-to-learn), incorporating new knowledge into the design of a new product, learning new production methods and improving existing technology through minor improvements based on learning-by-doing, and based on learning by-using once the new product or process is being used internally in the organisation or by external consumers. The strength and importance of tacit knowledge is that, it is often very difficult for competitors to imitate and, therefore hard to be transferred. According to Coulson –Thomas (2004) tacit knowledge could be transferred by means of interactions with other employees within the organisation through experiences, practice, feelings and attitudes. On the other hand, tacit knowledge is often an important element in industrial collaboration, both as a factor initiating collaboration and in its success. Ranjan and Bhatnagar (2002) states that tacit knowledge enables an increased perception of ideas; therefore, it stimulates creativity which may likely translate into positive effect on organisations.

Moreover, explicit knowledge is the type of knowledge most easily handled by Knowledge Management System, which are very effective at facilitating the storage, retrieval, and modification of documents and texts. From a managerial perspective, the greatest challenge with explicit knowledge is similar to information. It involves ensuring that people have access to what they need; that important knowledge is stored; and that the knowledge is reviewed, updated, or discarded. Explicit knowledge is knowledge that can be readily articulated, codified, accessed and verbalized. The information contained in encyclopedia and textbooks are good examples of explicit knowledge. The most common forms of explicit knowledge are manuals, documents, procedures, and how-to videos. Explicit knowledge has direct influence on the Organisational memory, individual employees in the organization. The organisational setting on the other hand influences the behavior of employees. Embedded knowledge is formalized approach based on the idea that connects economic behaviour to social and institutional organisation rather than over-reliant on culture or theories of market. Embedded knowledge is inherent in the processes, products, organisational culture, routines, and code of conduct, ethics and structures of the organization (Gamble & Blackwell, 2012). Embedded knowledge is a system-wide management of organisation connecting the various aspects of organisation capabilities which could be improved by knowledge of previous experience acquired through learning by-doing. Importantly, organisational skills are complex mix of

interpersonal, technological and socio-structural factors invested in the business. Gamble & Blackwell (2012) noted that employee skills consists of sub-elements which are directed towards achievement of the overall performance while they focus on what is important to the business. The notion of business knowledge otherwise refers to as organisational competencies is centered on the development of conventional routine which ensure lessons /or experiences are accessible and transferrable to subsequent employees. Corroborating this view, Maseki (2012) outlined the benefits of utilizing knowledge to include improvement of goods and services, improved processes of distribution, sensitivity and quick response to ongoing market trends, increased customers' satisfaction, and improved quality of suppliers, staff productivity, business efficiency, better recruitment and staffing policies and licensing and protection of intellectual property of the business. According to Henshaw & Smith (2013) application of knowledge management practices help small –sized business organisations to foreclose the possibility of product copycats by other competitors, develop a robust storage system and retrieval of information, maintain confidentiality and undertake oath of non-disclosure of important policies. However, organizations have different ways to share knowledge, new ideas and information within the employees. This culture of knowledge practice exhibits by owner-manager in the organisation could be enhanced through innovation workshops, organized brainstorming session, creation of knowledge bank for storing important information and instructions which provide details about key tasks while employer offer incentives to employees who provide useful market information.

Purpose of the study

This study is notably based on business knowledge and management of organisational change of small-sized businesses. Specifically, the objectives of the study include:

1. Determine the impact of tacit knowledge in management of organisational change of small-scale businesses in Port Harcourt.
2. Examine the critical role explicit knowledge plays in management of organisational change of small -scale businesses in Port Harcourt.
3. Investigate how embedded knowledge affects management of organisational change of small -scale businesses

Research Questions

The following research questions guided the study.

1. How does tacit knowledge impact management of organizational change of small -scale businesses in Port Harcourt?

2. How does the critical role of explicit knowledge stimulate management of organisational change of small-scale businesses in Port Harcourt?
3. How does embedded knowledge influence management of organisational change of small-scale businesses?

Hypotheses

H₀₁: There is no significant relationship between tacit knowledge and management of organisational changes of small-scale businesses in Port Harcourt.

H₀₂: There is no significant relationship between explicit knowledge and management of organisational changes of small- scale businesses in Port Harcourt.

H₀₃. There is no significant relationship between embedded knowledge and effective management of organisational change of small-sized businesses

Methodology

The correlation research design adopted in this study connects business knowledge (independent variable) and management of organizational change of small-sized businesses (dependent variable) in Rivers state. The independent variable is separated into tacit knowledge, explicit knowledge and embedded knowledge domains conceptually related to management of organisational change. The population of 134 registered small-scale manufacturing businesses also representing the owner-manager participants in Rivers State (CAC, 2018) adopted a census sampling technique for the sample. The surveyed participants were owners (manufacturers) in Rivers State, Nigeria who responded to self-designed 4-point rating scale questionnaire for the collection of quantitative data. The study was based on data that were collected by self-administered questionnaire. The 21- items structured in the three domains of business knowledge -tacit, explicit and embedded knowledge and responses were classified on (4-strongly agreed) to (1-strongly disagreed) point scale. The self-administration survey is intended to produce high quality information and response rates. Respondent-friendly questionnaire has an impact on response rates and reduced measurement error. However, the index of the instrument was created by averaging the 21 item-scores to obtain the reliability of the scale at 0.78 which exceeds the Nunnally's criterion of .70 for scale reliability in exploratory research (Sanchez, 2012). The face –to-face administration of one hundred and thirty four (134) copies of questionnaire made data collection from respondents highly successful. Mean and standard deviation were used to analyze the research questions, items with mean scores of < 2.50 represents disagreed while ≥ 2.50 was considered agreed. Meanwhile, the hypotheses were tested at 0.05 level of significance using Pearson Product correlation coefficient to compute for r-value.

Presentation of Results

Table 1: Mean responses of tacit knowledge and management of organisational change in small-scale businesses

S/N	Statements	Entrepreneurs (n = 134)		
		\bar{X}_1	SD	Decision
1.	Develop and use code strategies	3.16	0.72	Agreed
2.	Tacit knowledge serves as a factor in the competitive industries	3.00	0.69	Agreed
3.	Tacit knowledge stimulate creativity in an organization	3.14	0.52	Agreed
4.	Enables an increased in organizational Ideas	3.01	0.55	Agreed
5.	Tacit knowledge enhances innovation process of an organization	2.77	0.53	Agreed
6.	Enables organization to identify solutions to problems	3.09	0.65	Agreed
7.	Improves ability of organization to design new products	3.09	0.62	Agreed
Grand Mean		3.03	0.61	Agreed

Table 1 showed high mean scores of respondents' agreement of the impact of tacit knowledge to management of organisational change of small-scaled businesses. The cumulative mean 3.03 clearly showed that code strategies, competitiveness of industries, organizational creativity among other intervening variables are strategic approaches owner-manager adopt to effectively manage organizational change.

Table 2: Critical role of explicit knowledge of management of organisational change of small-scale businesses

S/N	Statements	Entrepreneurs (n=134)		
		\bar{X}_1	SD	Decision
1.	Explicit knowledge enables the maintenance of organization	3.23	0.66	Agreed
2.	influence organizational memory	3.19	0.56	Agreed
3.	Increases organizational memory of individuals	3.07	0.61	Agreed
4.	Enables the acquisition and retention of knowledge	3.17	0.63	Agreed
5.	Exposes the organization to technological advancement	3.11	0.80	Agreed
6.	Enhances an effective management in an organization	3.19	0.58	Agreed
7.	Updates the management and staff of an organization	3.36	0.92	Agreed
Grand Mean		3.19	0.68	Agreed

Table 2, the mean results showed the critical roles explicit knowledge played in the management of organizational change of small-scale businesses. The respondents rated high the criteria for measuring explicit knowledge which include maintenance of organisation, sustainable organisational memory, increased organisational memory of employees, the acquisition and retention of knowledge and technology-driven growth among others are all strategic ways owners of small-scale manufacturers manage organisational change.

Table 3: Mean responses of embedded knowledge and management of organizational changes of small scale manufacture firms

S/N	Statements	Entrepreneurs (n = 134)		
		\bar{X}_1	SD	Decision
1.	Enables easy innovation management in small organization	3.21	1.00	Agreed
2.	Embedded knowledge improves staff productivity	3.18	0.64	Agreed
3.	Improves better recruitment and staffing policies	3.17	0.57	Agreed
4.	Increases employee's awareness of customers' wants	3.07	1.09	Agreed
5.	Create ability of organization to monitor and predict the performance of other competitors	3.20	0.62	Agreed
6.	The organizational culture of small business increases business efficiency	3.05	0.60	Agreed
7.	Improves goods and services in management of small organizations	3.59	0.60	Agreed
Grand Mean		3.21	1.30	Agreed

Statistical results in the table were above the criterion mean which indicate that embedded knowledge bring about innovation and management, increase staff

productivity, better recruitment policies among others fundamental to management organisational change.

Hypothesis

Table 4: Computation of relationship between tacit knowledge and management of organisational change of small-scale manufacturing organisations

Variables	N	$\frac{\sum x}{\sum y}$	$\frac{\sum x^2}{\sum y^2}$	$\sum xy$	DF	A	r-cal	r-crit	Decision
Tacit knowledge	134	21.260	64.67						
Management of organisational change	134	21.220	64.67	651.9	132	0.05	2.52	0.150	Reject Ho

Table 4 showed that the r-value 2.52 was greater than the r-critical 0.150 thereby rejected the null hypothesis (Ho₁). This however upholds the positive and significant

relationship between tacit knowledge and management of organisational change of small -scale manufacturing organisations.

Table 5: Computation of relationship between explicit knowledge and management of organisational changes

Variables	N	$\frac{\sum x}{\sum y}$	$\frac{\sum x^2}{\sum y^2}$	$\sum xy$	DF	A	r-cal	r-crit	Decision
Explicit knowledge	134	22.32	71.22						
Management of organisational change	134	21.22	64.43	67.66	132	0.05	2.10	0.150	Reject Ho

The hypothetical table has shown that the r-calculated value (2.10) was greater than the r-critical value (0.150) and the hypothesis (Ho₂) was rejected which confirmed the

existence of stronger positive and a significant relationship between explicit knowledge and the management of small - scale manufacturing organisations.

Table 6: Computation of relationship between embedded knowledge and management of organizational changes in small-scale organization

Variables	N	$\frac{\sum x}{\sum y}$	$\frac{\sum x^2}{\sum y^2}$	$\sum xy$	DF	α	r-cal	r-crit	Decision
Embedded knowledge	134	22.47	72.32						
Management of organisational change	134	21.22	64.42	68.13	132	0.05	0.587	0.150	Reject Ho

Table 6 showed that the r-calculated value 0.537 is greater than the r-critical value (0.150). Therefore, the hypothesis (Ho₃) is rejected and established a positive and significant relationship exists between embedded knowledge and management of organisational change of small -scale manufacturing organisations.

Discussion of findings

The domains of tacit knowledge, explicit knowledge and embedded knowledge are crucial to management of organisational change. Small-scale manufacturing owners have shown greater concern for code strategies, aggressive competitiveness in their industries to stay afloat

and overcome competition. Creativity, innovation and organisational ideas, and design of new products have been found as a way owner-managers could innovate, adapt to organisational change and have reasonable share of the market. Owners-managers identified problems and solve these problems in order to deliver value and satisfy their customers. Tacit knowledge hypothesized suggests that positive and significant relationship exists between tacit knowledge and organisational changes in small –scale manufacturing firms. Employees invest their various capabilities, skills, and ideas possessed mentally to manage the changes in organisations. Tacit knowledge substitute for intuition, logic, associative skills and experience, tradition concurrently to identify and

understand new knowledge by employees. Organisational knowledge is created through a continuous dialogue between tacit and explicit knowledge. In recent literature, some studies outlined four dimensional components of interactions, socialization (sharing and creating tacit knowledge through direct experience), combination (combining explicit knowledge with support of information systems), internalization (converting explicit knowledge to tacit knowledge through practice), and externalization (converting tacit knowledge to explicit knowledge through dialogue and reflection) thereby contribute to organisational knowledge creation (Juvonen, 2012, Nonaka, 1994, Nonaka & Toyama, 2000).

Explicit knowledge has positively and significantly been associated with organisational change. Explicit knowledge greatly contributes to organizational memory, increased organizational memory of individuals. As Walsh and Ungson (2003) has observed explicit knowledge facilitates the maintenance and enriched organizational memory. Acquisition of knowledge and experience couple with technological advancement effectively manages the changes and brings about innovation. The acquisition of knowledge and experience had influence on employees' behaviors. Also, Leonhard *et al.*, (2010) stated that the management and workers continue to update their explicit knowledge to explore latest technological advancement in their operations. However, embedded knowledge is formalized idea that explains economic behaviour from social organisations and /or businesses perspective rather than culture or theories of market. Innovation management, increased staff productivity, better recruitment policies among others are inherently embedded in the processes, products, organisational culture, routines and structures of the organization (Gamble & Blackwell, 2012). The system-wide management emphasized the organisation capabilities improves the knowledge of previous experience acquired through learning by-doing. Importantly, these capabilities are classified into interpersonal, technological and socio-structural factors are organizational resources collectively define how successful small-sized manufacturing businesses. Organisational competencies is centered on the development of conventional routine which ensure lessons /or experiences are accessible and transferrable to subsequent employees. These skills are directed towards achievement of the overall performance. Consequently, organisations continue to improve the overall quality of goods and services, the processes of distribution, exploit ongoing market trends, increase customers' satisfaction, and increase staff productivity and recruitment and staffing policies, licensing and protection of intellectual property of the business.

Conclusion and Recommendations

Business knowledge- tacit, explicit knowledge and embedded knowledge significantly contributes to employees' productivity, organizational innovation and organizational success. Owner-managers use their

employees' accumulated tacit knowledge to evolve code strategies to organizational change; organizational creativity and innovation strengthen their determination to withstand and overcome competition and continue survival. New organisational ideas and new products are developed to constantly satisfy their customers and meet the market needs, increase market share and control. Innovation is therefore has an indepth implications to organization growth and elimination copycats in business. Owner-managers maintained and sustained their organisational memory, increased employees' memory through acquisition of knowledge and technology to drive growth and management of change in small-sized manufacturing businesses. Innovation management, increased staff productivity, better recruitment policies are inherently embedded in the processes, products, organisational culture, routines and structures of the organization. In conclusion, owner-managers must evolve different ways to share knowledge, new ideas and information to enhance employee productivity. Owner-managers must constantly and regularly engendered the culture of knowledge practice that center wholly on innovation workshops, brainstorming session, create knowledge bank to provide description of key tasks. Also, enhanced incentives should be introduced to motivate employees and increase their productivity.

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