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# Entrepreneurial Education: The Effect of Entrepreneurial Political Skill on Social Network, Tacit Knowledge, and Innovation Capability

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## ABSTRACT

The purpose of this study is to examine the role of political skills in entrepreneurship education and the impact of social network, tacit knowledge, and innovation constructs. This study sought to investigate the conceptual relationship between political skills and tacit knowledge, social network and tacit knowledge, as well as innovation and tacit knowledge. The existence of the three construct and their effect on entrepreneur skill has been reviewed and discussed. This has been corroborated across studies that sought to establish the role of social networks, tacit knowledge, and innovation in influencing entrepreneurship. The performance of enterprise has closely being linked on the ability of individuals to take advantage of the social network and the individual as well as collective tacit knowledge to understand the business environment and come up with practical skills to counter the potential entrepreneurship risks. This study also addresses the impact of tacit knowledge on innovation. Tacit knowledge has both negative and positive effects on innovation, emanating from the transferability of innovations across individuals and firms.

**Keywords:** political skill, social networks, tacit knowledge, innovation

## INTRODUCTION

Brain-ware and intellectual capital have been acknowledged as important aspects of achieving competitive advantage in the organization (Soo et al., 2017; Wang et al., 2016). The competitive advantage of a firm is attributed to many factors among them tacit knowledge. Tacit knowledge is unique, in that, it promises competitive advantage based on personal knowledge embedded in the human brain of the workforce (Nonaka & Krogh, 2009). HRM practices aim at gaining unique and valuable attributes associated with tacit knowledge of employees.

Sustainable competitive advantage calls for the utilization of non-imitable, non-substitutable resources such as knowledge resources. In the knowledge-based view of a firm, heterogeneity and immobility are strategies for bidding sustainable competitive advantage (Meyer & Dunphy, 2016; Wang et al., 2016). Knowledge-based requires the increase in the stock of knowledge within a company, and its successful applications (Chuang et al., 2016; Perez-Luno et al., 2016). For knowledge-intensive industries, tacit knowledge can become the essence of economic growth, due to its ability to achieve competitive advantage.

Due to the importance of knowledge, HR professionals seek to implement HR strategies that are aimed at attracting, motivating, and retaining individuals and also accumulate collective tacit knowledge with the

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#### **State of the literature**

- In the realm of entrepreneurial education, political skill has received increasing attention as a facilitator of firm performance. However, it remains unclear about the consequences of entrepreneurial political skill for obtaining specific resources to sustain competitive advantages.
- Entrepreneurship success is usually linked to social networks. Most studies have focused on the outcomes of such social networks, with less focus on the antecedents of social networks in the organizational settings. This study specifically investigates the extent to which entrepreneurial political skill is positively associated to social network.
- The significance of tacit knowledge and human capital in the SME context has been widely discussed (Abeson and Taku 2009; Georgiadis and Pitelis 2012; Jarvis and Rigby 2012). Prior research argues that tacit knowledge enhances innovation capabilities for the firms, and that knowledge in firms is almost always tacit in nature. This study proposes tacit knowledge as critical resources for innovation activities, and investigates the extent to which tacit knowledge enhances greater innovation breadth.
- The aim of this study is to investigate how entrepreneurial political skill impacts innovation capabilities. Specifically, this study proposes a framework examines the path-dependent effects of entrepreneurial political skill, social network and tacit knowledge on innovation capability.

#### **Contribution of this paper to the literature**

- This study extends the entrepreneurial education literature by identifying entrepreneurial political skill facilitates social network acquisition.
- This study contributes to the knowledge management literature by examining tacit knowledge as an important concept in industrial economics innovations and where it emphasizes the social dimension in the organizational routines and practices.
- This study contributes to the literature on the antecedents of innovation capability by examining the mechanisms that influence innovation.
- This study provides initial evidence that entrepreneurs with social skills seek opportunities in building social network, and that such network, in turn, facilitates the acquisition of tacit knowledge needed by a firm to enhance innovation capability.

organization. Tacit knowledge is characteristic, unique, more intuitive and contextual, making it hard to formalize or even articulate (Perraton & Tarrant, 2007). It is usually embedded in the organizational social network. For HRM to tap into the potential benefit of tacit knowledge, it must put into consideration the fluid social structure and the organization in question. The transfer of tacit knowledge is dependent on the social cohesiveness and individuals' willingness as well as motivational factors to invest time in sharing the knowledge (Perraton & Tarrant, 2007; Tamzini et al., 2016).

Businesses that embrace strategies oriented towards tacit knowledge may become successful even in hostile environments. Several studies, such as Perez-Luno et al. (2016), have demonstrated the relationship between tacit knowledge and market orientation. Tacit knowledge can be applied as a competitive tool since it is not easily transferable across business and can be perceived as contextually grounded. It is anchored on ideas generation, adaptation, and innovation (Nonaka & Takeuchi, 1995). The unique attributes of tacit knowledge make it essential in building competitive advantage (Perez-Luno et al., 2016).

The primary objective of entrepreneurship education is to develop all essential entrepreneurial skills to meet entrepreneurial success (Elmuti et al., 2012; Phipps & Prieto, 2015; Rachwał et al., 2016). Prior research suggested that entrepreneurial political skill in one the key factors that will have a positive impact on career development and competitive advantage in firm operation (Lans et al., 2016; Fang et al., 2015). Likewise, political skill has become an important antecedent of performance outcome, especially when social interaction is a prerequisite part of one's job description (Li et al., 2017). Several studies have been undertaken, with the precise

objective of seeking to get insight into the role of political skill in the organizational variables that influence performance (Brouer et al., 2015; Harris et al., 2007; Tocher et al., 2012; Wihler et al., 2017). This study seeks to conceptually investigate the intricate relationship between social networks, tacit knowledge, and innovation in influencing the role of political skills in entrepreneurship education.

## LITERATURE REVIEW AND PROPOSITION DEVELOPMENT

### Political Skill and Social Network

Entrepreneurship success is usually linked to social networks. Most studies have focused on the outcomes of such social networks, with less focus on the antecedents of social networks in the organizational settings. Social networks arise from an individual's prowess in social skills which is rooted in the ability to develop and maintain personal networks (Baron & Markman, 2003; Bolander et al., 2015). Social skills are honed either in verbal and non-verbal means, occurring through face-to-face physical encounters or can be alluded as highly specific learned behavior. Possessing high social skills enables one to create a good impression to others which puts them in a position to be persuasive, thereby helping in enlarging one's social network (Zhao et al., 2010).

For social networks to have practical results, they must adopt a proactive approach in the social arena. Three social skills are critical in creating an effective social network which includes social perception, social adaptability, and express expressiveness (Zhao *et al.*, 2010). The ability to accurately perceive traits, intentions, and motives of others is referred to as social knowledge. Social adaptability is needed for one to adapt to the diverse range of social settings (Baron & Markman, 2003). Expressiveness is important in expressing one's emotions, thus generating enthusiasm within the social network. Social network development requires social strategies that are primarily individual behavioral plans for social interactions to achieve certain personal and organizational goals. Proactive and elaborative social strategies are employed as behavioral plans to social interactions where they are applied in manipulating social opportunities (Zhao *et al.*, 2010).

Ideal social effectiveness can be contextualized in a valuable interpersonal exchange between people within a work-related setting. The social network is built on the influence of both affective and behavioral reactions of individuals in an organizational setting and is an important construct in performance outcome in an organization (Banister & Meriac, 2015). Political skill is an important construct which is closely linked to the social network in the organizational settings. Political skill is related to social intelligence, agreeableness and emotional intelligence in its social effectiveness (Banister & Meriac, 2015). Political skill is the positioning or the social astuteness that encompass high purposive attempts to influence individuals at a personal level. As has been described in Todd et al. (2009), political skill in the organizational settings is the ability to understand and influence others in the work settings and use the experience to influence others to enhance organization's objectives.

In the context of the social network, political skill requires social competence which helps a person to understand and influence others (Blickle et al., 2008). Four dimensions constitute the political skill construct. These are the interpersonal influence, social astuteness, apparent sincerity and networking ability (Blickle *et al.*, 2008). These aspects form the characteristics that are expected to be demonstrated by a person with high level of political skill. It is, therefore, unlikely for political skill to exist in the absence of a social network nor can it be developed or experienced without an existing social network.

Since political skill is anchored on a high-awareness of the social network, it helps an individual to fit in the organizational settings. Social networking is a key driver within the political skill construct of organizational contexts. Political skill can be either an innate or a learned skill (Ferris et al., 2002). Although several studies have investigated the direct role of political skill work outcome success, there needs to be a greater insight on the dimensions of political skill in success (Ferris et al., 2002).

It can be adduced that political skill engages a combination of cognitive understanding of one's environment and behavioral flexibility which seeks to achieve specific personal or organizational objectives (Ferris *et al.*, 2005). Of the four dimensions attributed to political skill, interpersonal influence does not require the understanding of the environment; rather it relies on one's ability to communicate in a manner that renders the

control. It is through the interpersonal influence that the political skill of an individual is honed with a subtle style and behavioral flexibility.

In organizations, hard work and intelligence may determine the performance and success of a person in the organization, but political skill is a critical component of successful performance in the organization. Political skill requires the exhibition of self-confidence and personal security which serve to attract others, giving a sense of comfort. The self-confidence is usually in a positive perspective where it does go overboard to be perceived as arrogance (Ferris et al., 2002).

Confidence appears as a positive attribute since it is not directed inwards, but is focused towards others. In the social network, the politically skilled individual can respond to different social settings without being overly self-centered. Ferris et al. (2005) observe that political skill is a personality trait independent of the mental ability of an individual. It is further noted that political skill, though a character trait, can be developed from a combination of formal and informal experiences.

In understanding the political skill construct in the organizational construct, the critical dimensions are the ability to understand how people act in ways that seek to influence others. However, other components such as networking, connections, network and coalition building also play a significant role in political skill development. One must align with others while exerting influence in the organization so that there can be connections that seeks to foster allies to develop and build influence.

The attributes of building alliances in the group comprise the dominant trait for building successful managers in an organization (Brouer et al., 2015). In exerting influence over a social network, genuineness and sincerity are key antecedents that ensure one is viewed by others in the organization as devoid of ulterior motives so as to inspire trust and confidence (Brouer et al., 2015). Social astuteness is another dimension that resides in the social networking which bestows political skill dynamisms, subject to diverse social settings (Harris et al., 2007). Social settings for social astute political skill averse individuals ensure they can understand their social environment and precisely interpret their behavior such that it coincides with the social settings. Social astute people are evidently perceived as 'clever' or possess great self-awareness of others (Harris et al., 2007).

Networking ability is an essential component of exerting influence in the organization since politically skilled individuals can gather assets that are valuable for successful personal and organizational functioning (Levy et al., 1998). Strong friendships and beneficial alliances, as well as coalitions, are subtle characteristics of politically skilled individuals. Politically skilled people seek to influence others in the organizational settings through impression management. This entails creating the desired image in the minds of others through various strategies such the engagement of tacit knowledge (Harris et al., 2007).

The relation between political skill and social network can be exemplified by the social influence theory (Levy et al., 1998). As individuals progress in the impression management ladder, they increase the likelihood of achieving higher political skill stemming from the higher positive image. Harris et al. (2007) have explored five impression managements routinely applied by managers in exercising political skills in organizational settings. These include intimidation, supplication, self-promotion, and exemplification and ingratiation which can be used in impression management tactics.

As a tool used in exerting political skill, self-promotion seeks to exaggerate one's accomplishment and abilities to appear competent. This grants one the ability to influence others in the social network. Exemplification attempts to portray oneself to others as a role model while intimidation seeks to apply dangerous approaches aimed at threatening others into a position of being influenced. Ingratiation is the use of flattery as bait of making one appear as likable supplication exposes one's shortcomings in the hope of looking needy (Harris et al., 2007).

Unlike other social constructs, political skill is restricted to interaction at the workplace and does not include all aspects of an individual's life (Harris et al., 2007). Political skill is, therefore, best suited for describing interactions in the workplace and has been positively associated with team performance. In organizational leadership, political skill is an antecedent of trust and job satisfaction where they improve the perceived organizational support for the workforce (Harris et al., 2007). Political skill has been recognized as a moderator of

impression management tactics and the work outcomes. It filters the sincere and the manipulative actors. The highly political skills are seen to be more honest or genuine while the moderate politically skilled persons appear as manipulative (Levy *et al.*, 1998).

Social influence theory reasons that, for one to be successful in influencing other, one must possess the ability to understand and manage the dynamic relationship with others. Operationalization of this knowledge is dependent on one's political skills. The social network is at the disposal of a politically skilled individual for use to gain a certain advantaged position in the organization (Jafari *et al.*, 2013). Understanding the social cues of other people enables one to reshape his or her behavior so that it is consistent with the social setting at hand. Consciously managing one behavior is one of the characteristics of highly skilled individuals.

Impression management upon understanding the social network is a critical component which helps in masking the negative attributes of political skills such as supplication and intimidation (Michele Kacmar & Tucker, 2016). Instead to have a positive outcome from political skillfulness, one must capitalize on the positive attributes of political skill such as ingratiation, self-promotion, and exemplification. The level of political skills will depend on how best one can understand the social network, and produce positive perception to influence positive outcomes in performance (Jafari *et al.*, 2013).

### Social Network and Tacit Knowledge

Tacit knowledge is founded on the social network since it provides a platform for face-to-face interaction. Social network plays a significant role in the development of tacit knowledge especially in the context of informal meetings (Ngha & Jusoff, 2009). Sharing tacit knowledge in a social network, where it is transformed to collective knowledge, makes it harder to imitate, and thus it becomes a tool for creating competitive advantage (Ngha & Jusoff, 2009). The social network acts as a tacit knowledge transmission platform that is critical to a firm's success. Tacit knowledge is very complex and challenging to transfer in a verbalized or written down form like in explicit knowledge. Tacit knowledge is an important type of knowledge that resides in the human knowledge system at the core of human behavior where it dominates human behavior. Social networks provide a platform for communicating tacit knowledge where face-to-face physical contact is prominent. Social networks provide the platform for sharing experiences which to some extent is tacit knowledge. In the real world, systems are complex, especially in the social context. Transmission of tacit knowledge through sharing experiences in social networks enhances the performance of individuals in the organization as well as improve their absorptive capacity and innovation capabilities (Ngha & Jusoff, 2009).

Since tacit knowledge is harder to spread compared to explicit knowledge, social networks provide a platform where individuals can interact within the organization enabling the sharing of experiences and communication, which may carry along tacit knowledge. Persons who have acquired tacit knowledge may motivate others within or without the organization (social network) to gain tacit knowledge through contact and communication (Ngha & Jusoff, 2009). Social networks are useful for entrepreneurship since they enable the creation of social adaptability, social perception, and social persuasiveness as well as impression management which induces others to develop positive reactions towards others (Baron & Markman, 2003). Interactions in business require entrepreneurs to develop business networks and relationships which create an environment of trust and legitimacy.

Tacit knowledge is transferred mainly via face-to-face interactions, thus the need for social interactions. Although some component of tacit knowledge is transferred formally, there is need to appreciate the need for social networks since it is the central platform for sharing tacit knowledge. Although social networks have been identified as the main conduits for the flow of tacit knowledge in the organization, they are clogged by various hindrances. Some of which border on the innate ability of the source of tacit knowledge to share it effectively, in addition to the difficulty of applying tacit knowledge in other contexts (Holste & Fields, 2010).

The source of tacit knowledge is faced with the risks of losing the competitive advantage he or she has over the peer network. The social network provides a facilitating platform that seeks to counter such challenges by providing trust and knowledge sharing platform (Holste & Fields, 2010). Trust is a multidimensional construct that

is distinctly cognitive and affects relationship, even in social networks (Holste & Fields, 2010). Social networks are based on care and concern for each other, where there is the intrinsic value of relationships which creates a reassuring environment for sharing tacit knowledge.

A variance which exists in social networks as observed in Lucas (2005) is based on interpersonal trust and reputation of knowledge recipient that are fundamental components of social networks. The affect-based trust and cognition-based trust contribute to the sharing of tacit knowledge in social networks since it provides employees with the impetus to perform additional roles in the organizational citizenship (Holste & Fields, 2010). Social networks bring individuals together creating personal relationships. As personal relationships are established in social networks, people are motivated to work in ways that benefit each which is the genesis for sharing tacit knowledge (Holste & Fields, 2010).

The success of an institution is sometimes associated with the institutional memory which is negatively affected by high employee turnover. This institutional memory can be linked to the tacit knowledge that is essential to the success of the contemporary business. Strengthening social networks within the organization can act as an enabler in creating a conducive environment for sharing tacit knowledge. Organizational leaders can apply various approaches such as fostering trust among employees where collaborative processes are created through situations that require demonstration of individual competency (Dietz, 2004).

Increasing the level of interaction among workers, especially in cases where there is social categorizations may positively build affect-based trust which fosters social networks. Given the importance of tacit knowledge in guaranteeing firm competitiveness, it is vital for managerial practices to be oriented towards the generation of affiliative behavior in the organizational context that seeks to underpin the importance of social networks (Holste & Fields, 2010).

Political skill is one of the social effectiveness constructs since it relates to interpersonal exchange between people. Social efficiency which is a prerequisite in high political skills determines the affective and behavioral reactions of individuals in the organizational settings. The transmission of tacit knowledge is subject to social networks. Social influence theories attempt to understand the process where people are persuaded to change their perceptions and decisions. This has been observed to occur in the context of politically skilled individuals being able to influence others in the social context of organizations.

In social networking, people can manipulate the social relationships by creating an image for themselves that subsequently impacts performance appraisals (Holste & Fields, 2010). It embodies the use of impression management tactics in the pursuit of social influence. Social networks provide a conduit for social exchange where tacit knowledge is passed from one individual to another. This is through the social exchange relationship between people within an organization where the exchange of information remains informal (Holste & Fields, 2010). The underlying tenet of the social exchange theory is the norm of reciprocity where people are obligated to behave reciprocally, thereby advancing the passage of tacit knowledge throughout the organization social structure where it now exists as collective tacit knowledge. This knowledge affords such an organization competitive advantage since it is interwoven within the social fabric of the organization. This makes its replication by competitors not only difficult, but also impossible to substitute (Schenkel & Teigland, 2008). To maintain the social exchange within the social network, individuals continue to reciprocate and discharge tacit knowledge for the common good of the social network.

Although tacit knowledge sharing in a firm is difficult to measure, it is a critical success factor for business. The value of knowledge grows when it is shared (Nga & Jusoff, 2009). The informal nature of sharing of tacit knowledge implies that it can be shared anywhere in the organization if the conditions are right. These conditions exist in the social network where knowledge sharing can occur under favorable communication modalities and where there are interpersonal compatibility as well as motivation for sharing. Schenkel and Teigland (2008) argue that tacit knowledge can be transferred without codifying through an implicit mode. The strength of a firm will always lie in the motivation and the conducive social network where tacit knowledge in unique skills is shared in informal communication with less bureaucracy within the internal structure of the organization to ensure innovation confers the competitive advantage to the firm.

Face-to-face interaction in the social context offers an efficient knowledge sharing platform which highlights the value of tacit knowledge. Tacit knowledge, however shallow or narrow it is, makes a firm different from its competitors, where under the resource-based theory can make its resources valuable, rare and non-imitable, which is the fundamental tenet of sustainable competitive advantage (Nga & Jusoff, 2009). Sharing of tacit knowledge within the social network of an organization, combining it so that it becomes collective tacit knowledge leads to creativity and innovation (Nga & Jusoff, 2009).

Social networks as envisaged in social capital theory presents opportunities for extracting benefits such as the tacit knowledge existing in the individuals within the system (Nonaka & Krogh, 2009). The social capital is the sum of the resources within the network structure such as the trust in interpersonal relationships, social interactions or even the value systems that can be mobilized in a social network. Scarce information such as tacit knowledge can flow within the social networks where it can be exploited, presenting opportunities for discovery and innovations. Obtaining information is costly, especially tacit information which is identifiable (Nonaka & Krogh, 2009).

The social capital theory explains how resources can be accessed through the provision of information channels that significantly reduces the amount of time and investment required to gather information. The inter-individual variance in the access to knowledge in a social network can be explained by the different position they occupy in such systems (Nonaka and Krogh, 2009). The bounded rationality perspective depicts how social networks influence opportunity discovery. In the early phases of entrepreneur activity, there are various instances of uncertainties which can only be scaled down by information which provides the entrepreneur with valuable information to make rational decisions. The social network of the entrepreneur, in this case, provide a rich source of collective tacit knowledge that enables an individual to extend the boundaries of rationality for new ventures, opportunities or even assess the potential area for competitive advantage. The social network has proved significant in availing a platform for sharing and transferring tacit knowledge (Nonaka & Krogh, 2009).

### **Tacit Knowledge and Innovation**

Tacit knowledge can be described as the uncodified, unpublished or the knowledge which cannot be fully expressed and it characteristically differs from one person to another. In innovation, tacit knowledge is a productive tool for gaining competitive advantage as codified knowledge becomes more accessible to firms through patent lapses (Park *et al.*, 2012). Innovation and competitive advantage may persist in the organization due to the social nature of knowledge embodied in tacit knowledge. Innovations guarantee competitive advantage as firms' pool tacit knowledge from individuals through social networks (Park *et al.*, 2012). The tacit knowledge gathered is partially codified though it is codified so that it circulates within the firm routines (Park *et al.*, 2012).

There has been criticism that tacit knowledge blurs the distinction between day-to-day firm routine and the dissemination of discontinuous innovation (Perraton & Tarrant, 2007). Innovation is bound within the confines of tacit knowledge generation within the company. Novel and unfamiliar technologies have relatively high tacit element compared to existing technologies. Knowledge has an essential tacit element that is significantly high in new and technologies. Innovation is related to tacit knowledge in that it builds up existing tacit knowledge in the firm which is a primary source of continued competitive advantage in a firm. Innovation generates high tacit knowledge which can only be retained in the organization social networks which enhance a common culture which aid in the understanding and ease of communicating tacit knowledge between individuals in a firm (Perez-Luno *et al.*, 2016).

Contemporary communication technologies have reduced the spread of tacit knowledge although the level of innovativeness that spreads through this route is relatively low (Perez-Luno *et al.*, 2016). Innovation can guarantee competitive advantage in the organization only when there is the formal protection of the technological advantage through patents. However, patent lapses limit the maintenance of competitive advantage through innovation. Tacit knowledge determines the geographical extent of innovative activity through the process of learning in the interaction process. This reinforces the local innovation potential over the global one (Spulber, 2012).

Tacit knowledge explains the existence of innovativeness in the confines of industrial districts. As the market continues to expand, innovation continues to be geographically concentrated in some locale due to the presence of tacit knowledge. This explains the income difference despite the weakening of borders and cheaper and more pervasive communication technologies (Spulber, 2012). As observed in Spulber (2012), tacit knowledge significantly impacts the trade-off between entrepreneurship and transfer of technology tacit knowledge making it difficult to separate individuals from their innovation. Tacit knowledge acts as a compromise between one's use of an innovation and the adoption of the innovation by others. An innovator has the option of engaging in innovative entrepreneurship or transferring the innovation. The former requires the innovator to codify and transfer the tacit knowledge, repackaging it in a way that it can be reproduced. There is the advantage that innovative entrepreneurship gives to own use of the invention, in comparison to transferring new technologies to existing firms for adoption.

In innovation, tacit knowledge is the main hindrance of technology transfer distinct from intellectual property rights, adverse selection or the moral question (Spulber, 2012). Since tacit knowledge makes it difficult to transfer technology, it creates fertile grounds for innovative entrepreneurship. Innovative entrepreneurship brings in higher marginal returns than technology transfer for an existing firm (Spulber, 2012). A combination of tacit knowledge and creative destruction reinforces the marginal gains of innovative entrepreneurship, over and above that of an existing firm.

Through creative destruction, an innovator can offer competition to an existing business by lowering the price of the innovation and therefore generating higher volumes of sale. This will translate to increases in the returns for the novelty (Tödtling & Grillitsch, 2015). In turn, the innovative entrepreneurship invests more in research and development than the existing firm which relies on technology transfer. This cycle demonstrates that high-quality invention in the creative enterprise than in technology transfer. However, the absorptive capacity and R&D are two of the aspects that exist in technology transfer and innovative entrepreneurship, respectively. They act as trade-offs for tacit knowledge that couples inventors to their innovations (Tödtling & Grillitsch, 2015). The innovator is reliant upon tacit knowledge as an aspect of the discovery process and the subsequent benefits of the innovation. Tacit knowledge in the light of innovation is evidently not anchored on the organizational capital, culture or routines. It is based on the personal experiences, training, and insights as well as capabilities and creativity that drives an inventor into discovery (Ravetz, 1971).

Johannessen and Olsen (2011) has sought insight on the interaction of tacit knowledge and innovation. The paper attempted to understand the effect of tacit knowledge on innovation. Innovation is reliant on knowledge, whether tacit or explicit. Most focus on the knowledge leading to innovation has focused on explicit knowledge without much regard to tacit knowledge. The role of tacit knowledge on innovation has largely remained under-explored. However, there is a growing niche of literature that acknowledges the role of tacit knowledge in innovation and competitive advantage.

Unlike explicit knowledge, tacit knowledge is inimitable, path-dependent and non-substitutable such that it cannot easily be bought in the market by potential competitors. Since tacit knowledge is closely associated with the organizational social systems, it hinders imitation by competitors. This places tacit knowledge as a strategic tool for innovation and competitive advantage. Since tacit knowledge increases the perception of ideas, it stimulates creativity which leads to innovation (Johannessen & Olsen, 2011). Tacit knowledge creates an environment that provides a range of opportunities and potentials in discovery and creativity. Although it is advantageous for a firm to have tacit knowledge so that its innovation cannot be reproduced by competitors, it offers limitation in that tacit knowledge is part of a long-term learning process (Johannessen *et al.*, 2001).

As tacit knowledge increases, replication even within a firm internal structure becomes a challenge. The innovator fears losing ownership of the innovation and the privilege which accompanies it. This poses a hindrance in the transfer of innovation even within the firm. Sharing tacit knowledge requires time for social contact which the knowledge source may find it difficult to surrender (Leonard & Sensiper, 1998). Technological innovation does not associate innovation based on tacit knowledge. For instance, there may be entrepreneurial profit that people do



not know whether they exist and do not know that they do not know. Tacit knowledge focuses on the process that individuals develop and use knowledge as theorized in Polanyi's theory (Polanyi, 1983).

Tacit knowledge represents the evolutionary perspective in the economy, where it drives innovations. Creative innovation depends on the expertise in a particular field which enables individuals to retrieve relevant information for innovative purposes. High level of training, tacit knowledge, creates greater potential for people to develop creativity and hence innovation in a particular domain. This entails incorporation of different areas of tacit knowledge whether operational or strategic contributing towards innovation. This points to different tacit knowledge influence affecting various types of innovations. Tacit knowledge, thus serves as necessary conditions for innovation, though it is not sufficient. Recognizing the value of unique information which depends on the normative and cognitive openness is a key factor in utilizing tacit knowledge to develop innovation (Johannessen & Olsen, 2011).

It is evident from the literature review that tacit knowledge can either increase the number of innovation or decrease them due to its inherent irreproducibility. Different tacit knowledge produces various types of innovation. This points to the practical, action-oriented and experienced-based nature tacit knowledge. This has led to the classification of tacit knowledge as heuristics, intuition, pattern conception and holistic causal design (Johannessen & Olsen, 2011). It is important to recognize the value of new information for one to assimilate its creativity and innovation. Different types of tacit knowledge have ranging capabilities in producing different kinds of innovations. They give to four types of innovations which are architectural, modular, incremental and radical innovations. A decrease in the number of changes is related to the low level of experience which reduces access to new information as well as recognize its value (Johannessen & Olsen, 2011). Tacit knowledge as evident from the literature stems from the conversion of tacit knowledge into explicit knowledge. In this context, it can be argued that social network provides a platform for knowledge sharing where tacit knowledge can then be turned into explicit knowledge.

## DISCUSSION

Political skills rely on the dynamic process of social networking which is the individual ability to interact with others effectively. The person's ability to influence others is dependent on the effective management of the social network which in turns impacts firm's performance. Proficiency in networking knowledge, enables individuals to operate businesses effectively since they can modify their social interactions to develop and focus their attention on social groups of interest to the firm. As observed by Ferris *et al.* (2005), political skills can be perceived as a component of social competence which assesses individual's ability to evaluate others. Political skill assists individuals to effectively leverage their social networks. As the level of political skill increases, people become highly proficient in managing and gathering resources from the social network than less politically skilled individuals.

This research observes that a business organization is a political arena that is framed by the social capital theory. This places responsibility on the entrepreneur to develop and maintain cognitive and relational social influence on the primary stakeholders facilitating high-performance levels. In this report, there are distinct differences between political skills and the social networks. This study observes that social network competence is necessary for entrepreneur performance. However one has to use political skill to access social network capability. The four dimensions of social network namely social perception, social adaptability, social persuasiveness and impression management are productive tools that are engaged by politically skilled individuals to influences others in an organization and spreading tacit knowledge in a firm. Proficiency in these social skills strongly affect the people and firm performances. Using these social skills, politically skilled organizational leaders can generate enthusiasm and commitment in the workforce by communicating effectively with people from a diverse background. Also, political skills and a conducive social network attract partners and employees with the needed tacit knowledge which can drive firm performance.

Political skills and social networks are important aspects in identifying opportunities for a venture. Highly politically skilled individuals possess high social skills which are effective in communicating and cooperating with

others. As a result, they can have access to valuable information, such as from tacit knowledge in the social network based on the level of interaction in the group. High social skills are essential for entrepreneurs since they can discuss, develop and polish their ideas with the assistance from external business and social networks.

Apart from amassing new information from such interactions and discussion, entrepreneurs are allowed recognize potential pitfalls and accurately establish potential areas of innovation. The success of a firm in a competitive global market will depend on how well it can apply its resources to gain the competitive advantage over its rivals. Tacit knowledge is one of the scarce resources that can be utilized effectively to obtain the competitive advantage. Tacit knowledge is unique in that it is more intuitive and contextual where it can reside in the social network within a firm ensuring there are creativity and innovation to drive firm performance.

Social cohesiveness, shaped by political skill in the organization structure is the mainstay of transferring tacit knowledge throughout the organization. Social networking determines an individuals' willingness and motivation to invest his or her time in sharing the tacit knowledge. In a hostile business environment or a new venture political skills, tacit knowledge, innovation, and an effective social network cushion entrepreneurship against the windfalls of a negative business climate. A hostile business environment requires idea on how to adapt, which in turns calls for creativity and subsequently, innovation. The social network is a rich pool of creativity and innovation since it is a platform where tacit knowledge is shared freely among individuals, propelled by the interpersonal trust. Political skill has become an important antecedent of performance outcome, especially when social interaction is a prerequisite part of one's job description. Several studies have been undertaken, with the precise objective of seeking to get insight into the role of political skill in the organizational variables that influence performance.

## CONCLUSION

In conclusion, sustainable competitive advantage requires the utilization of resources that are non-imitable, non-substitutable resources which include knowledge-based resources. Heterogeneity and immobility are strategies for bidding sustainable competitive advantage, and these can be found in the influence of social network and tacit knowledge on entrepreneur political skills. Knowledge-based resources require the increase in the stock of knowledge within a company. Tacit knowledge is an important concept in industrial economics innovations and where it emphasizes the social dimension in the organizational routines and practices. Although tacit knowledge is never codified is never communicable in any language, it is evidently communicated between firms provided there is a typical social network which provides a common cultural understanding. Political skill and social networking are exemplified in social influence theory as a key aspect for progressing in the impression management ladder. Creating a positive image is routine behavior associated with managers to exercise their political skills in the organization.

Political skill seeks to exaggerate one's accomplishment and abilities so as to appear competent. This renders one with the ability to influence others in the social network. Highly politically skilled individuals portray themselves as role models. Political skill is restricted to interaction at the workplace and does not include all aspects of an individual's life, thus it appropriate for describing interactions in the workplace where it has been positively associated with firm performance. This study has recognized political skill as a moderator of impression management tactics and the work outcomes. Highly political skilled individuals are perceived to be more honest or genuine while the moderate politically skilled persons appear as manipulative.

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