STORYTELLING AND SPEECH ACT THEORY IN KNOWLEDGE MANAGEMENT: THE POTENTIAL OF SYNTHESIS

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ABSTRACT

The problem of converting the implicit knowledge of employees into explicit knowledge of a business entity (a firm) is considered from the perspective of a combination of knowledge management theory and speech act theory. The purpose of the work is to determine the possibility and areas of application of the concept of performativity and speech act theory in knowledge management for its humanization and socialization. The object of the research is converting implicit non-formalized knowledge into explicit formalized one and explicit knowledge into implicit one as a sphere of application of speech act theory in knowledge management. The subject of the research is socio-economic and managerial relations in this area, transformed by performativity. The scientific novelty of the research lies in the identification and application of the relationship in the form of storytelling of knowledge management theory and speech act theory to develop measures for improving the efficiency of the knowledge-based firm’s activities. The practical significance of the study lies in the fact that its results can be used by knowledge managers to improve the efficiency of the mechanism for converting implicit knowledge into explicit one and vice versa.

Keywords: knowledge management, humanization, socialization, John Langshaw Austin, performativity, performatives, Michael Polanyi, implicit knowledge, formalized knowledge, stories, firm.

JEL classification: D83, D91, J24, M54

INTRODUCTION

Converting non-formalized knowledge into formalized one and the reverse process - converting formalized knowledge into non-formalized one continues to be an urgent problem in knowledge management. Moreover, the first process is, in a way, an end in itself for knowledge managers in a business entity (a firm). The main means of expressing knowledge in this continuous process of converting in both directions is language. The knowledge of an employee, expressed in professional language, is the object of knowledge management and storytelling as its tool.

According to M. Foucault's hypothesis, the image of a person in modern knowledge is outlined by three types of empirical objects: Life, Labor and Language (Foucault, 2001). Knowledge management pays much attention to language in storytelling, which is interpreted as a tool for transferring knowledge in the working environment.

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environment. In production processes, it is especially important to adhere to the principle of "word - action", which forms the basis of performativity. The concept of performativity has not yet been included into knowledge management, although storytelling is actively used there. But, in our opinion, this concept should be used as a form of changing the status of knowledge from a description of a situation to an action, since a performative is an utterance equivalent to an action.

J. Austin's performativity thesis in combination with M. Polanyi's implicit knowledge theory are the prerequisites for a new approach to solving the problem of converting non-formalized knowledge into formalized one in knowledge management. It allows us to give due place to economic and management theories and techniques, which are increasingly actively shaping and structuring economic practices. However, they do not yet contribute to the humanization and socialization of a firm, which is most clearly seen in the example of converting implicit knowledge of employees into explicit knowledge of a firm.

*Research hypothesis:* reciprocal explicit and implicit knowledge conversion in a firm changes economic and managerial reality in the direction of socialization and humanization thanks to language - knowledge as a word, a word as an action.

The *scientific novelty of the work* lies in the application of the concept of performativity, which then developed into speech act theory, to the theory and practice of knowledge management in conjunction with M. Polanyi's implicit knowledge theory for the humanization and socialization of knowledge management.

The *purpose of the work* is to determine the potential of the synthesis of storytelling and speech act theory for the development of knowledge management in the direction of humanization and socialization, to use the potential of their symbiosis to increase the efficiency of the exchange of formalized knowledge and the transfer of non-formalized knowledge (skills) when improving competencies and mastering functions.

*Tasks:* 1) to find the possibility and area of application of the concept of performativity and speech act theory in knowledge management, 2) to determine the reciprocal conversion of formalized and non-formalized knowledge as an area of application of the concept of performativity and speech act theory in knowledge management for its development.

M. Polanyi implicit knowledge concept in combination with the concept of performativity of J. Austin - the founder of speech act theory - was used to achieve this objective and solve problems.

**MATERIALS AND METHODS**

The experience of theoretical research shows that to solve an existing research problem, as well as a new problem, it is possible to use suitable ideas from other scientific fields. When trying to cope with a complex economic problem, familiar mental schemes that are not obviously related to economics and management are used. In economic and management terms, the borrowed principles first acquire a different meaning, and then are transformed into new functions. Thus, the known principles of functioning of non-economic social institutions are increasingly used when solving economic and managerial problems. In the framework of this study, we consider language as such a tool.
The study showed that storytelling is a concentrated practical application of language in knowledge management. Broadly speaking, storytelling is "a sophisticated approach to managing the flow of communication and understanding within an organization" (Lesser & Prusak, 2005). Storytelling is the direct application of language in a firm. Managers at companies such as IBM, Disney, CapGemini, Ernst & Young, Aventis, and others exploit cautionary stories to their fullest potential (Edvinsson, 2002) to generate profits and increase firm value.

Speech act theory and performativity concept seem to be the most productive linguistic approaches in the context of this article. Researchers agree that the concept of "performativity" was first introduced into science in 1950 by the English philosopher John Langshaw Austin, the author of speech act theory (Austin, 1972). Studying the types of "utterances", J. Austin developed speech act theory, in which he considered a speech act carried out in direct communication with an interlocutor as a unit of communication, which was the object of his research.

The author developed performativity concept and speech act theory as part of analytical philosophy; his speech act theory became a key component of linguistic pragmatics. A distinctive feature of Anglo-American analytical philosophy is the pursuit of logical accuracy and linguistic transparency when formulating problems and their solutions. This desire makes this science related to Anglo-American management. The philosopher associated a speech act with the expression of an assertion, explanation, description, etc., and believed that it proceeds according to generally accepted principles and rules of behaviour. J. Austin adhered to the position of scientists who saw the main task of philosophy in clarifying and refining the expressions of everyday language, which implies an analysis of its incorrect application. Austin defined a performative as a judgment equal to an action.

The discovery of "performatives" is of great importance for knowledge management. So, Austin noticed that the first person singular verb cancels the function of truth or falsity of an utterance and becomes reality itself. As in everyday and business speech, language is used as a tool for performing various actions: greetings, promises, giving orders, etc. Saying such phrases, a person does not describe the action, but performs it. Such expressions as "I promise you", "I refuse", "I demand" are examples of a performative. There are quite a lot of similar expressions that can be used performatively in the language of a manager, and they cannot but affect the efficiency of his or her work.

Performatives, which at the time of their uttering already perform an action, as methods of practical use of language in the form of management orders are applicable to transform an organization. They also include exclamations that create an emotional background that is important in any communication. Obviously, performatives make a lot of sense for knowledge management, although they are neither true nor false.

The recognition of the limits of applicability of the concept of truth for the assessment of utterances is one of the consequences of speech act theory that are important for knowledge management. As the analysis of J. Austin has shown, the concept of truth is generally not applicable to performative utterances. They are not utterances related to any facts, and therefore cannot be "true" or "false" in the scientific sense (Austin,
Like any other human action, a performative can be felicitous (in management terminology - effective) or infelicitous, but in no way true or false. For example, a dishonest or illegal labour contract with a knowledge worker, formally called an effective contract, is in reality more likely a bad - invalid, ineffective - contract than a false or untrue one.

Felicitous performative utterances are expressions that produce the desired effect. At the same time, the felicity of a performative depends on a number of conditions, called by J. Austin "felicity conditions". These basic conditions are: 1) the presence of a conventional procedure, a kind of rules of the game, according to which the utterances are made; 2) compliance with these rules by the speaker; 3) the speaker has thoughts, feelings and sincere intentions to take appropriate actions. The absence of such intentions, thoughts, and feelings means that there are invalid speech actions (Austin, 1972; 1975). Thus, depending on the type of performatives infelicities, infelicitous utterances can also be interpreted as insincere, invalid, unauthorized, erroneous, etc. What has been said entirely concerns managers in knowledge management, for whose work the unity of thought and word, thinking and speech is of paramount importance. In our opinion, the opposite is also true: insincere utterances lead to erroneous actions.

Statements, promises, responsibility are an integral part of the work of a manager at any level and in any area, especially such an important one as intellectual knowledge-based activity. In knowledge management, word and action are important interrelated elements of the management process. According to M. Foucault, knowledge is a historically contingent system of ordering things through their correlation with words (Foucault, 2001). The logical chain here is as follows: word - knowledge - word - deed (action). Turning to speech act theory will help to explore the gaps between word, knowledge and action. The use of performatives - utterances equivalent to actions - in the practice of knowledge management narrows this gap. The concept of performativity and speech act theory are useful in knowledge management primarily for understanding the human aspect of socio-economic and managerial relations in the processes of reciprocal conversion of formalized and non-formalized knowledge.

According to the thesis about the performativity of economics, the dissemination of economic knowledge and related techniques significantly transforms economic practice, thereby confirming the reality of economic theories. It seems that this thesis is all the more true for management technologies in the economic sphere. Management practices in this area are described by Pfeffer and Sutton (Pfeffer &Sutton, 2000). Their presence indicates the possibility of applying the concept of performativity in knowledge management as a type of functional management.

The similarity between the ideas of S. Denning's book "The Springboard: How Storytelling Ignites Action in Knowledge-Era Organizations" (Denning, 2000) with J. Austin's book "How to Do Things with Words" (Austin, 1975) can be traced in the titles of the books. From "true descriptions" to "felicitous actions" are the principles of knowledge management in terms of storytelling and performativity. Studying the similarities and differences, a new approach to solving the problem under study can be proposed.
RESULTS AND DISCUSSION

To solve the first problem of this study - to determine the possibility and area of application of speech act theory in knowledge management - let us compare speech act with storytelling in terms of their influence on the knowledge conversion processes (Table 1).

Table 1. The influence of storytelling and speech act on the processes of converting non-formalized knowledge into formalized knowledge and vice versa

<table>
<thead>
<tr>
<th>Conversion</th>
<th>Tools</th>
<th>Storytelling</th>
<th>Speech act</th>
</tr>
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<tbody>
<tr>
<td>1. Implicit to explicit</td>
<td>Stories are ideal carriers of tacit knowledge, a way to combine verbal and visual information. Encouraging action by telling the moral-based story about implicit knowledge.</td>
<td>A means of encoding information, a verbal form of stories that helps them be richer, increasing the strength and duration of impact. Development of the lexicon of the organization, the language model of the organization.</td>
<td></td>
</tr>
<tr>
<td>2. Explicit to Implicit</td>
<td>Impact on consciousness and subconsciousness in order to change behaviour. Transfer of skills with a lot of tacit knowledge. Reproducing the experience of others.</td>
<td>Transfer of knowledge in understandable language using refined terminology. Use of motivating words. Descriptive self-awareness.</td>
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The verbal form of stories in knowledge management indicates the possibility of applying speech act theory there. The performative use of linguistic expressions (speech acts) differs from the descriptive use in the form of storytelling. The storytelling method formalizes only a certain part of tacit (implicit) knowledge, which is beneficial to the manager and owner of the company. And the rest of the tacit knowledge of workers is formalized by the methods of speech act and performative.

A comparative analysis of storytelling and speech act (performative) made it possible to find what is common in them: 1) the speaker's belief in what is being said, 2) motivation by oral stories to action, 3) similar conditions for the felicity of performative and storytelling.

Differences: 1) the knowledge management language texts, like the science language texts, should be explicit, that is, they should not allow ambiguity, inaccuracy, incompleteness, reticence, and subtext. Guessing is not allowed here. Subtext or implicit content is a piece of information that is not directly expressed in the linguistic signs that make up an utterance, but is somehow extracted from it. All communication participants make such an extraction in different ways. The subtext of an utterance cannot be consciously perceived by the addressee if it is not meaningful and motivating for him. A good manager is, above all, a motivator. And storytelling is a powerful tool for motivating, inspiring staff, influencing the consciousness and subconsciousness of employees; 2) the selectivity of the language in the use of performatives should be taken into account. So, for example, you can say, "I am begging you", but this will not be an act of begging. Or let's consider "I'm trying to persuade you". This will be, for example, a story: “I
have been persuading you for two hours”, - you can say so. But “I'm trying to persuade you” is impossible to be said as a persuasion (Austin, 1972; 1975).

Thus, we link the possibility and area of application of performativity concept and speech act theory in knowledge management with storytelling as a tool for converting knowledge for its practical use in a firm. We consider storytelling, speech act and a performative as a linguistic addition to knowledge management, a kind of human (anthropic humanistic) prism of rational analysis in this type of functional management.

The second problem of this study is to determine the reciprocal conversion of formalized and non-formalized knowledge as an area of application of performativity concept and speech act theory in knowledge management for its development. To solve it, we will use the technique for determining the purpose of storytelling, proposed by (Weil, 1998). The author believes that it consists in giving answers to three simple questions: “Who am I? Who are we? Where are we going?” (Edvinsson, 2002).

Answering these questions, let us designate two areas of application of speech act theory and performativity concept in knowledge management: 1) the answer to the question "Who am I?" implies the sphere of anthropic origin (in the Figure 1 it is designated as AO), which means humanization; 2) the answer to the question "Who are we?" is associated with the sphere of social order (in the Figure 1 it is designated as SO), that is, with socialization. The answer to the question "Where are we going?" in the processes of cognitive conversion is to an increase in the knowledge of the firm’s employees. This is clearly shown in the Figure 1.

![Fig. 1. The continuum of knowledge in a firm in reciprocal cognitive conversion processes](source: Author’s illustration)

It can be seen from the Figure 1 that through the conversion of knowledge in a firm, an increment of knowledge occurs:

\[ K_{\text{implicit}2} = K_{\text{implicit}1} + \Delta K \text{ from knowledge conversion}, \]

where

\[ K_{\text{implicit}1} \text{ – implicit knowledge of the employee before conversion,} \]
\[ K_{\text{implicit}2} \text{ – implicit knowledge of the employee after conversion,} \]
\[ \Delta K \text{ – increment of knowledge in the process of exchange of explicit knowledge between employees.} \]
Implicit, non-formalized knowledge is transferred directly through actions, here a person is perceived at the level of worldview. Explicit, formalized, encoded knowledge is transferred from person to person indirectly through language and text. This forms a person's understanding of a person at the level of text. Explicit knowledge is expressed in words. Implicit knowledge is not expressed in words. The hypothesis put forward by us is confirmed: the reciprocal conversion of explicit and implicit knowledge in a firm changes the economic and managerial reality in the direction of socialization and humanization thanks to language - knowledge as a word, a word as an action.

The organization is formed by individuals, therefore the first area of application of the considered linguistic concepts must be sought at the level of the individual, let's call it the anthropic origin.

The concept of performativity is of practical interest for knowledge management, since it conditions the transition from the traditional concept of knowledge of the subject of cognition and activity to understanding them as a set of cognitive competencies that the employee-object of management has acquired. By the influence of management, he or she is forced to transfer his or her tacit knowledge to the bank of explicit knowledge of an organization. For example, in organizations where there were no initial job descriptions, employees were asked to describe their functions. And then, with managerial adjustments, this material was used to prepare official job descriptions - a direct guide to action. So, the first area of application of the concept of performativity in knowledge management is seen the formation of competences and functions of an employee of a firm.

The task of knowledge managers through formalizing knowledge of employees using computer technologies is to give their thoughts a strictly service orientation. For this, storytelling also serves: relying on corporate base of stories, an employee completing a project can record within an hour what would have taken half a day to describe.

In knowledge management, like in no other form of functional management, the practical value of the language is important. Accordingly, all sorts of descriptions of the best practices for converting knowledge are assessed from a pragmatic position. Managers accept certain descriptions of their work by a person not because they are "true", but probably because they offer really possible options for efficient activity in the form of their interpretations by an employee. From this point of view, the manager is interested in the question not of whether or not employees perceive their work reality, whether the chosen way of using words (terms, utterances) corresponds to it, but about what the firm and personally he / she, the manager, gains from their use.

Language makes a person understand his / her subjectivity - "who I am". It is unlikely that the status of a faceless competence-function will satisfy an employee as a person. With the help of stories, even the most complex analytical data gets a "human face" - humanization through storytelling. "Storytelling is, first of all, a deeply human technique that does not accept mechanistic and authoritarian approaches" (Lesser & Prusak, 2005).
The story should evoke sincere human emotions: understanding / bewilderment, sympathy / irritation, joy / anger, confidence / doubt. The lack of a dichotomy of emotions devalues the outcome of a story. Storytelling technique allows language to be used in conjunction with intonation, vocalization to bring imagery and other elements of a story to life in front of an audience. The manager's precise use of unique words also contributes to the bright colours of a story.

Thus, the first individual humanistic (anthropic) area of application of speech act theory and performativity concept is the construction of a competence-function due to the discourse stored in the language and objectified previous experience of a particular employee. Language also contains the means of objectifying new experience, hence, the possible change by an employee of everyday work reality. Thus, performativity transforms cognitive conversion.

The second area of application of linguistic theories in knowledge management is the social one. The language area is inherently social. Linguistic knowledge is inherent in a person as a social being. People are encouraged to take action by other people through a message. For a prime example of the importance of verbal behaviour in a meeting, see (Simon et al., 1962). The authors show the correlation of the verbal level of discussion of a business proposal in terms of the values of an organization with the actual personal motives and individual values of each participant in the meeting. Individual values, as the authors rightly point out, are "mostly unspoken and partially unconscious" (Simon et al., 1962). "Motivations based on feelings of satisfaction or dissatisfaction that arise during the meeting itself will be hidden even deeper in the subconscious" (Simon et al., 1962). Thus, the verbal expression of the feelings and thoughts of the meeting participants will determine its outcome for the activities of the organizational unit.

Taking the situation of the meeting as a basis, one can give an answer to the question "Who are we?". In other words, to illustrate the process of socialization in the exchange of formalized knowledge. The use of language in business communication indicates the characteristics of a specific social group, expressed by a specific type of social order. By prescribing specific speech behaviour for each social role, language contributes to the maintenance of microsocial order in the organization.

Considering the selected linguistic concept and theory from our point of view, we can say that socialization is the merging of informal knowledge of the participants into the common base of a firm thanks to language. In this regard, Gergen's remark is important for knowledge management: "words acquire their meaning depending on the way they function within human systems of relations" (Gergen, 1997), that is, when they are used in human relations”.

Social relations and social order as a whole are reproduced through language. Business language contains discursive constructs used in management, for example, "goal", "activity", "efficiency", "productivity", within which an employee is invited to think and work. If the professional language reproduces and maintains the competence-functions of a particular employee, then communication, which is the highest form of language use, is the basis of social interactions. In communication, language shows its efficiency in comprehending and producing reality.
The presence of the revealed performative phenomena proves once again that knowledge cannot exist in isolation from a person. At the same time, not all the tacit knowledge of an employee can be displayed and transferred using language. Some of the knowledge of a creative intellectual worker is the product of his individual intuition, the so-called creative "instinct", which contains the anthropic origin. Therefore, they cannot be transferred either by order or for any reward. And employees can't be punished for their absence either. This is for management the difficulty of converting the disparate tacit knowledge of workers into the system of explicit knowledge of an organization (a firm). After all, while the orders to one person are given by another person, that is, the process of management as vertical communication is carried out between people.

In this regard, Austin's theory of infelicity is important for the knowledge management practice: it considers the necessary conditions for felicitous / infelicitous communication. The subject of analysis for J. Austin is the circumstances that prevent the conduct of any social communicative procedure. In the knowledge management practice, such a procedure is the exchange of knowledge - this is the second area of application of the concept of performativity in knowledge management. The already mentioned J. Austin's performative felicity conditions are especially important for it. Obviously, these conditions can only be provided by people in the process of their communication. With regard to knowledge management, the considered process is (1) horizontal communication - the exchange of professional knowledge between employees of a firm; (2) vertical communication ("order-fulfilment") between managers and employees. According to Gergen, not only emotions, but also cognitive processes can be explained in terms of social relations, mutual exchange and conventions (Gergen, 1997). Horizontal culture is more conducive to this explanation than vertical one. The first culture will be fostered by Dennig's proposal to change the descending commands by conversation. Implicit knowledge, which is not "spoken" and, therefore, is not recorded in consciousness, turns out to be ambiguous and fragile. "Conversation gives clear contours to previously vague and unclear subjects" (Berger & Luckmann, 1966).

Interaction within each identified areas and between the anthropic and social areas in everyday reality occurs through language. In everyday working life, language objectifies events and gives stability and clarity to what is happening, endowing it with the clarity and practical logic necessary for production. Language, being an effective means of accumulation, preservation and transfer of human knowledge in time and space, provides a ready-made discourse for comprehending reality, therefore, the ability to transform the reality of anthropic and social, "speaking" (Bakhtin, 1986) being.

Both the areas considered, formalized linguistically, form a kind of subsystems in the knowledge management system that can increase the efficiency of knowledge conversion mechanisms. Their functioning contributes respectively to the humanization and socialization of a firm based on the knowledge of employees.
CONCLUSION

The directions of increasing the efficiency of the knowledge-based firm's activity are the humanization and socialization of knowledge management. The possibility of using J. Austin’s performativity concept and speech act theory in knowledge management is due to the increasing importance of storytelling in the reciprocal conversion of formalized and non-formalized knowledge.

The increase in the influence of the institution of language in knowledge management is due to the synthesis of storytelling and speech act theory. The transfer of linguistic techniques and concepts to the field of knowledge management contributes to its humanization and socialization.

The efficient areas of application of speech act theory in knowledge management in a firm are:
1) formation of competencies as official functions of employees - the anthropic sphere;
2) exchange of professional knowledge in the process of communication between employees – the social sphere.

The combined application of speech act theory and the knowledge management theory reveals the potential of both theories to improve the efficiency of knowledge management through its humanization and socialization.

Conflict of interests
The authors declare no conflict of interest.

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