

ASSOCIATING KNOWLEDGE MANAGEMENT TO HUMAN RESOURCE MANAGEMENT: A CONCEPTUAL STUDY

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ABSTRACT

For last few decades, knowledge management (KM) has emerged as the widely discussed and researched phenomenon around the globe, but it been a challenging phenomenon as all organizations are trying to achieve and maintain its competitive advantage in today's global competitive environment. The issues can be address by strategically associating KM to human resource management (HRM) in the organization. It was found that the concept of KM although is a vibrant issue in today's hypercompetitive market of knowledge economy around the globe but still the focus of many organizations is on the single aspect of its, i.e., "Technology" and they leave another crucial aspect of KM that is termed as "people." Who actually are repositories and owners of this aspect; ultimately, it is their knowledge and learning in the form of tacit and explicit knowledge that is responsible for competitive advantage. The strategic use of HRM within the management of knowledge helps an organization to have innovation, better performance, and ultimately success of an organization. The present paper focuses on the aspect of associating KM with that of HRM of an organization with a view to provide clear understanding of the concept by relying on a large amount of existing literature, which is mostly theoretical in nature. It helps policy makers and management players to develop and implement an optimal blend of structural and organizational structure that help them to sustain in today's knowledge economy with the optimal use of their most crucial intangible asset meaning thereby - "the knowledge of their employees." Many areas within the discussed field will benefited from conclusions of further research on the aspect.

Keywords: Knowledge management, Human resource management, Competitive advantage, Resource-based view, Knowledge-based view, Organization.

INTRODUCTION

After coined in 1986 at a conference in Switzerland by Kael Wing different organizations realize the fact that to be competent and have advantage over competitors, they should properly utilize the inherited wealth, i.e. knowledge of their workforce. This task is not as easy as it seems because the intangible asset that is called, as "knowledge" require strategic set of allied activities to be managed in an effective way. Knowledge comprised truth, belief, perspective, judgments, expectation, and methodologies [16]. The capture of an employee's knowledge is vital for the organization. The management of such available knowledge of employees is termed as knowledge management (KM). KM in business sector began in early 1990's when organization realized that harnessing a company's knowledge and collective expertise and distributing it to the right people at the right time is essential to every organization to have advantage over competitors and effective and wise utilization of scarce resources.

WHAT IS KNOWLEDGE MANAGEMENT

Different authors and researchers define KM differently; one definition of KM is one by Groff and Jones (2003) [8]: KM is the tools, techniques, and strategies to retain, analyze, organize, improve, and share business expertise. This definition places the emphasis on the KM processes that take place within an organization and especially the IT facilities that support these processes. This definition is more about managing explicit knowledge, by the use of IT. The human factor is not mention. Another widely accepted definition is the following of Malhotra and Galletta [13]: KM caters to the critical issues of organizational adaptation, survival, and competence in face of increasingly discontinuous environmental change. Essentially, it embodies organizational processes that seek synergistic combination of data and information processing capacity of information technologies, and the creative and innovative capacity of human beings [13]. KM refers to identifying and leveraging the collective knowledge in an organization to increase its productivity [28]. It is the

conscious effort to get the right knowledge to the right people at the right time so that it will share and put into action. KM is the ability to selectively capture, archive, and access the best practices of work-related knowledge and decision-making from employees and managers foe both individual and group behaviors [3]. Thus, it could also said that KM is the process of gathering, creating, sharing, and using information, experience, learning, and management information systems, to add value, increase organizational wealth, and personal development (Fig. 1).

Thus, it is clear that KM comprises a range of strategies and practices used in an organization to identify, create, represent, distribute, and enable adoption of learning, capabilities, and experiences. These capabilities and strengths comprise knowledge, either embodied in individuals or embedded in organizational processes or practice (Davenport and Prusak, 1998. p. 5) [6]. Stated that knowledge originates and is applies in the minds of knower's. Meaning thereby that the knowledge shall not kept only in the form of databases, documents or repositories but should also be rooted in organizational routine practices, processes, policies, and in structural setup as a whole [6]. KM is not for the sake of managing knowledge, but the core objective is to create, refine, and improve the competencies and knowledge assets to meet organizational objectives such as improved performance, competitive advantage, and innovation, sharing of learning, teamwork, and continuous improvement in organization performance [14]. This could be possible only when it has committed, dedicated, and ready to share and interpret employees because employees are the only active factor of production who converts different dreams of organization into reality. A major center of attention on human resource management (HRM) systems is capitalizing on human resource to achieve firm's performance.

WHAT IS HUMAN RESOURCE MANAGEMENT PRACTICES

As the world is becoming more competitive and unstable than ever before, organizations are seeking to gain competitive advantage at



Fig. 1: The four basic processes of knowledge management

all cost and are turning to more innovative sources through HRM practices. HRM practices have defined in several aspects. Schular and Jackson (1987) [23] defined HRM practices as a system that attract, develops, motivates, and retain employees to ensure the effective implementation and the survival of organization and its members. Besides HRM practices are also conceptualized as set of internally consistent policies and practices designed and implemented to ensure that a firm's human capital contribute to the development of competencies that are firm's specific, produce complex social relation, and generate organization knowledge to sustain competitive advantage. Against this backdrop, it is concluded that HRM practices relate to specific practices, formal policies, and philosophies that are designed to attract, develop, motivate, and retain employees who ensure the effective functioning and survival of the organization. A review of the literature demonstrates five common practices that have been consistently associated with innovation, encompassing performance appraisal, career management, reward system, training, and recruitment [9].

To be successful in selected market segment, an organization must create and provide value to their stakeholders. This value can be in the form of improved or new product; innovative use of existing, additional services, reduced price, etc., but to sustain this value, organizations must develop and maintain an engaged, knowledgeable, and creative workforce [1]. Human resource department should integrate with the other organizational functions and department such as planning, production, finance and marketing to acquire, retain and use the right human resource who are knowledgeable, having appropriate skills and abilities so as to sustain their competitive advantage. The biggest challenge before any human resource department is to analyze and evaluate the present and prospective human capital, choose the best among them that gives to organization competitiveness, which is possible by adopting HRM activities such as recruiting, selecting, training, appraising, developing, and retaining (Fig. 2).

It is clear from the above figure that HRM (function) of an organization consist of five inter-related activities that collectively result in having, retaining, and satisfying the working talent (employees) of an organization. Although it is somewhat clear among managers and organization that human resource together with the organizational technology set is essential to make use of inherited asset of its, i.e., the knowledge and learning of its employees. Afterward, the next challenge is storing the knowledge that may be in the form of tacit (inherited) and explicit (public) in nature for future use. Because the inherited (tacit) knowledge lapse and not available when the possessor leave the

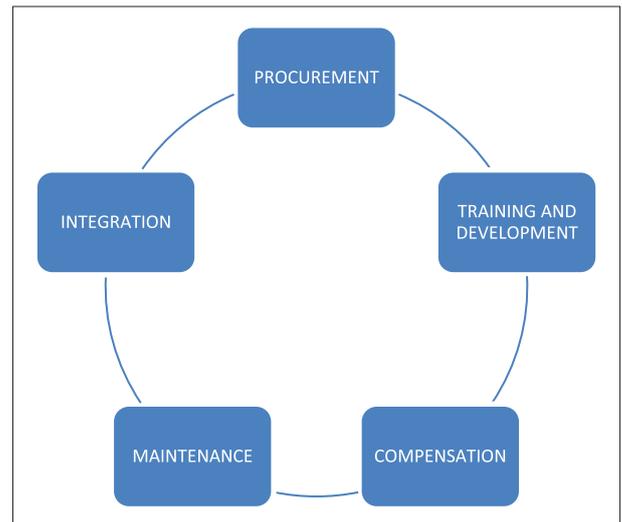


Fig. 2: Various aspect of human resource management

organization and the organization has no property right on it and it the discretionary right of the possessor to share the same or not.

LITERATURE REVIEW

In contemporary business environment, the competitive strength of an organization is influence by its ability to create knowledge, which in turn, results in competitive advantage. Organizational knowledge, KM, innovation, and performance are critically dependent on human resources. There are two views regarding the use, implementation of KM in an organization resource-based view (RBV), and knowledge process-based view.

RESOURCE BASED VIEW

Different authors and researchers developed theories that support the statement that organizational survival and growth is possible only with the adoption of resource-based activities. Barney (1991. p. 102) [2] argues that a firm has a "sustained competitive advantage when it is implementing a value creating strategy not simultaneously being implemented by any current or potential competitors and when these other firms are unable to duplicate the benefits of this strategy." According to Wang (2014) [29], there are two dominant theories of competitive advantage: The market-based view (MBV) and the RBV. MBV argues that industrial factors and external orientation are the primary determinants of firm performance [20]. Wang (2014) [29] supports Prahalad and Hamel (1990) [21] assertion that competitive advantage based on resources and capabilities is more important than competitive advantage-based solely on products and market positioning. Therefore, the use of the RBV of the firm (RBV) to examine the link between a firm's internal characteristics and performance is an appropriate way to investigate how firms can obtain a competitive advantage and how that advantage may sustain over time [2,27]. Proposed in 1994 and later explained by Teece *et al.* (1997) [27], the dynamic capability framework is further developing by Eisenhardt and Martin (2000) [7]. Dynamic capabilities are relate to company processes and are expressed though "a set of specific and identifiable processes such as product development, strategic decision-making and alliancing" [7]. They are defined as "the firm's processes that use resources-specifically the process to integrate, reconfigure, gain, and release resources to match and even create market change" [7]. According to RBV, an organization is successful when it has specific, rare, tangible, and difficult to imitate or substitutable resources, and capabilities. This means by creating resource diversity (increasing knowledge and skills) and/or resource immobility; sustainable competitive advantage can be create and maintain. The stiff global competition requires on the part of organization to think about, evaluate

the internal resources, their optimal and appropriate combination, and use to assert advantage and competitiveness [21]. Thus, the implication is that organizations must invest appropriate amount of fund in human resource and retrospective KM.

KNOWLEDGE MANAGEMENT-BASED VIEW

KM includes creation, use, and reuse of knowledge [5] and the organization must support and stimulate the knowledge-creating activities of individuals [17]. In today's giff environment only those organizations could survive that has efficient, learned, and ready to work human resource. Thus, it is necessary to find out effective ways of associating KM processes and organizational performance. Polanyi (1958) [19] conceptualized knowledge into (i) tacit knowledge and (ii) explicit knowledge. Tacit knowledge is usually subjective, cognitive, and experimental learning, while explicit knowledge is more objectives, rational, and technical (data, policies, procedure, software, documents, etc.) in nature. This means explicit knowledge is formal, systematic and codified in words, numbers and recorded in books, records, and other documents. Tacit is highly personal and rooted in the specific experiences and leanings, it is hard to formalize as it includes skills, intuitions, beliefs, values, and experiences of individual possessors [19]. The biggest challenge in front of all organizations is to integrate both types of knowledge. This is possible by developing specific techniques and methods that convert tacit knowledge into explicit knowledge that can use and acted on by others. The policy of corporate downsizing in 1980 was another reason for emergence of KM concept as it led to the loss of valuable information and knowledge with walking/left out human resources and subsequent competitiveness. Due to rapid growth of information sources (e.g., intranet and Internet), KM experts consider technology as a crucial enabler of information and knowledge sharing across employees, departments, and organization as a whole [25]. Effective leadership, motivation, cooperative culture, and functional HRM practices are among other important enablers of KM in any organization [4].

KNOWLEDGE MANAGEMENT AND HUMAN RESOURCE MANAGEMENT

Several studies of researchers conclude that KM has not been optimally associated with appropriate HRM in organizations. They figure out several factors such as absence of optimal structure, culture, dissatisfied employees, defective reward and pay policies, absence of job safety and development opportunities, etc., that result in either walking away of knowledge workers from the organization or weak performances on their job. Fig. 3 describes the relationship of HRM and KM with that of competitiveness. It is clear from the figure that HRM and KM collectively affect organizations structural and other aspects that result in competitiveness and an advantage over competitors. Now KM has become a well-known aspect in today's business world, still there is not much consensus about what it means within the context of HRM. HRM combines human resource function with organizational objectives. That is,

- It helps in integrating the objectives of HRM with that of organisational goals
- It helps in establishing the statement that people of an organization are the resources that create learning, innovation and bring value to business
- It guides the organization while decisions relating to incentive plans,

rewards and recognition are take to motivate employees to perform well in competition environment

- It instills belief among employees that good human resource development plans will devise and implemented for their betterment
- It ensures that right induction and training programs will used to enhance the skills and competencies of employees
- It attracts, engage, motivate and retain the knowledgeable employees
- It ensures that employees keep on learning at their jobs and share their learning with others for the development of them and for executing their jobs with responsibility.

Hislop, (2003) [10] elaborate that HRM strategies and concepts have not been optimally employed in KM. He suggests that the level of commitment and effectiveness towards job is necessary for efficient and effective performance and this is possible with HRM policies and processes [10]. In today's competitive environment it is quite important that skilled workers be attract and retain within the organization as knowledge sharing in the use of KM foster innovation. There are empirical research reports that can help to determine the fact that HRM can improve the knowledge within organisation. Schutt (2013) [24] described that KM aims at increasing the productivity of knowledge worker. That means KM is associated with human resource of organization. He suggests that the performance of employees in an organization are dependent on definition of tasks, separation of tasks, standardization of procedure, output measurement, natural talent and knowledge, work environment, support & training, motivation factors, level of motivation and IT tools.

RECOMMENDATIONS

As it is, observe that different types of research are not able to explain the clear association between KM and HRM thus it is necessary for knowledge intensive firm has to design and use KM process, organizational structures, and managerial systems to create, store and utilize the wealth of knowledge for competitive advancements [15]. Some firms create KM departments (KMD) and the head of that department is title as "Knowledge Manager." The main job of his is creating and maintaining knowledge repositories through modifying and mending culture of an organization that helps in getting the results of knowledge sharing, use, reuse, learning, collaboration and innovation. He is also responsible for providing the future need of talent in the organization [18]. In other firms, there is no such separate (KMD) department, and it is the job of research and development to plan, define and control the jobs of talent requirements and application of their knowledge for attaining the objectives of organizations [30]. It is also recommended that organizations should analyze and access the future requirements of talents, devise and use techniques that help in converting the tacit knowledge into explicit, storing that in organizations depositories and memory systems. The concept of knowledge is not be taken as peculiar aspect that would be used in contingencies rather it is a tool that should be embodied in daily routines, policies, and practices of organisation.

CONCLUSION

An organization can have competitive edge and better performance in comparison to competitors of market if it could have capable, committed and ready to act employees within its structural setup. These knowledge workers are actual jewels and assets of their organization. They actually



Fig. 3: Relationship between human resource management, knowledge management, and competitiveness

are responsible for converting the plans and strategies of organization/ formal institutions into reality. Thus, it is only because of active initiatives by the organizations to foster the capabilities and abilities of their knowledge workers through the application of appropriate HRM practices that they can develop or even survive in today's hypercompetitive environment. The use of HRM to manage knowledge is a newly established practice. A large amount of existing literature is theoretical in nature, and much empirical research was based on statistically insignificant samples or anecdotes. With the current level of research, the link between strategic HRM and KM depends largely on context [22]. Thus, it is rightly be said as to get competitive advantage an organization should take recurring pains in adopting, nurturing, and garnishing the knowledge of the employees [26]. Wong and Aspinwall (2004) [31] also concluded that nowadays, business activities become more and more complex; they entangle numerous aspects of knowledge: Legal, financial, management, information technology, and so on. KM, a still novel solution for most organization, aims boost and optimize the knowledge transfers in organization. It becomes imperative for an organization to make proper arrangement for KM and HRM in its settings. KM though is very attractive but even a challenging issue in today's global competitive environment. Organizations plans and execute HRM strategies to integrate HRM with KM in the form of implementation of processes and practices that foster the willingness of employees to acquire, create, share, and apply the learning and knowledge of theirs toward the successful completion of assignments and achievements of organizational goals. A proper and optimal blend of appropriate HRM practices and KM initiatives are necessary to get the work done by actual players and development of employees and organizational as a whole. The example of big industrial houses such as Infosys and Tata; banks such as ICICI; and telecom sector such as Airtel proves that after focusing on the optimal blend of KM and HRM they out beat the competitors of their industries and work as gold players in the said industry.

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