

An Overview of Human Resource Management Strategies applied in Knowledge Management

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ABSTRACT:

The paper attempts to compile an overall view on the impact of Human Resource Management (HRM) on Knowledge Management (KM). To establish a good

knowledge management system in a firm, human resources are vital tool. The productivity of the firm and to remain competitive in the field, human resources are fore most important. The challenge lies with the conversion of tacit knowledge residing in the human resources has to be brought out in code able form by means of training, documents, lecture etc. By adapting proper strategies, it could be feasible to meet the organizational goal, and sustain in competitive manner. Various steps followed and approach to be taken are to be modelled depending upon the nature and organizational culture of the firm.

The article takes stock of the overall scenario in the field of KM in HRM and attempts to throw light to establish a good knowledge management system.

Key words: knowledge management, human resource, recruitment, seamless training, exploitative strategy, explorative strategy, instinctive strategy

1.0 Introduction:

Knowledge Management is the discipline of enabling individuals, teams and entire organizations to collectively and systematically capture, store, create, share and apply knowledge to better achieve their objectives. Knowledge management systems are complex and hard to understand for the average worker, and training workers. When employees fail to collect and input data into knowledge management systems properly, the organization cannot take full advantage of the system's major benefits.

Knowledge is the key determinant of future economic growth and national prosperity. Knowledge driven competitiveness globally exploits the nation's knowledge, skills and creativity. Knowledge professionals will become the dominant force behind the new economy. The successful organizations and individuals will not allow themselves to keep 're-inventing the wheel' or 'repeating the same mistakes. Those individuals and organizations that can best sense, become quickly alerted to, find, organize, and apply knowledge, with a much faster response time, will simply leave the competition far behind..

One of the biggest challenges behind knowledge management is the dissemination of knowledge. People with the highest knowledge have the potential for high levels of value creation. But this knowledge can only create value if it's placed in the hands of those who must execute on it. The only irreplaceable capital an organization possesses is the knowledge and ability of its people. The productivity of that capital depends on how effectively people share their competence with those who can use it. New knowledge is created when people transfer and share what they know, internalize it and apply what they learned. The value and worth of individual, group and corporate intellectual assets grow exponentially when shared and increase in value with use.

The article is the survey and overview of relevant issues pertaining to knowledge management and human resource practices followed recent days.

2.0. Knowledge Management and human resource management Trend:

The primary focus of human resources management is to match the job profile with the skill set of the people, in order to achieve the organisation's goals. Whereas knowledge management at a primary level, aims at harnessing the existing knowledge in the organization, to create a competitive advantage and at a more advanced level focuses on increasing organizational learning. There is understandably, a considerable overlap between human resources and knowledge management since

- Knowledge creation is a human activity and managing humans is a HR activity.
- Knowledge management is about management of intellectual capital and intangible assets and human resources management is about managing the sources of these assets.

Knowledge management and human resources management initiatives are focused on harnessing the available knowledge assets and to prevent knowledge from walking out of the door. Hence, there is a need for the integration between the knowledge management initiatives and the HR policies of the organisation

3. Role of Human Resource Management:

Rapid growth of information technology has challenged the firms to constantly review the strategy to stay competitive. To a large degree, the competitive edge for these firms is based on the successful application of knowledge (Lengnick-Hall and Lengnick-Hall, 2003). With the perception of knowledge is residing in the human resource for competitive advantage, Soliman and Spooner (2000) suggested that a well-positioned HRM is essential for the success of KM activities due to the systematic process of knowledge capturing, using and re-using it. The HRM is deemed to be a main determinant for developing a continuous learning of KM activities. Soliman and Spooner (2000) argued that HRM practices can be the facilitators for knowledge absorption, creation, sharing and transfer among employees. Hislop (2003) added that the adoption of HR policy and practices can influence for sharing knowledge. A revitalization of the HRM function to respond to the demands of the knowledge economy and to develop linkages with KM requires major changes across four key areas: Roles, Responsibilities, Strategic Focus and Learning Focus

The well-established HRM practices are namely; picking up the right personnel by selection/recruitment, orientation of the candidates by refresher courses, motivating the employees by recognition by means of incentives and promotion, performance assessment and evaluation, continuous training and updating of the knowledge, retention of the knowledge worker. These aspects are explained below

3.1 Recruiting: A well knowledgeable human capital determines the success of a firm. It is important to note that picking up of high quality and committed persons by recruiting and retention of them are required for achieving sustainable competitive advantage (Boxall, 1996). As pointed out by Scarbrough (2003), it is fundamental to integrate various sources of knowledge in order to recruit and select qualified candidates with appropriate skills and attitudes. The main criteria are that the perceived values between existing and new staff are similar. New staff is usually expected to make adjustment to the organization culture. One basis for determining the effectiveness of 'fit' process as stated by Schein (1999) is to assess whether the employees can match with the organization's culture and reputation.

Nowadays, considering the need, organizational desired goal, the picking up of the right persons can be on temporary basis, or contract basis depending upon the scheduled target, or permanent basis. The selected human resource becomes the asset of the organization. However, the application of traditional selective hiring i.e. wrong HRM practices can be detrimental to knowledge sharing and can impede the knowledge sharing between sub-cultures of functions in a firm. It emphasis on the higher level of selection process for their qualification, skill, and expertise shall lead to higher level of knowledge. It calls for lesser time in orientation and training courses for the tasks of the organization. This level of people can easily cope up with organizational goal and improve the productivity. The innovative ideas could be easily generated.

3.2 Orientation and training: The selected candidate prior to put in the job need to be oriented towards the organizational goal, the methodology of work culture to meet the organizational vision and mission. The training programme is structured depending upon the level of the knowledge possessed by the individual or group. The specialized courses are organized with the support of persons from both inside and experts from outside of the organization. Some organization follow the selection of lower level of knowledge worker and engage them in extensive orientation and training programme , so that they also meet the organization demand . These types of people need longer training period and organization has to spend larger value for training.

3.3 Motivation: Recognition and rewards influence the employees' performance. Thus, developing an effective and appropriate recognition and reward system can motivate competent and talented employees in achieving the organization mission and goals. The learning behaviors should be rewarded when performance is achieved .Without motivation, the performance of skilled employees is likely to be affected and certain task cannot be executed effectively. Both intrinsic and explicit rewards are found to have a positive and strong impact on encouraging employees to apply KM activities such as knowledge acquisition and knowledge sharing. The incentives should be given to motivate the continuous efforts in a long term basis.

3.4 Performance Appraisal: Performance appraisal is a management review process on employee's successes and achievements so that their productivity can be improved (Mondy, 2010; Brown and Heywood, 2005). Performance appraisal aims to reduce any role ambiguity and to ultimately increase the employees' effort, good performance, better satisfaction, high commitment; and also to reduce the turnover rate. The performance appraisal activity could be enhanced through the organizational KM initiative such as knowledge exchange. The use and sharing of knowledge which embedded in a system are valuable for appraisal and reward program. Thus, the human resource management such as training, incentive compensation and performance evaluation can be further improved leading to a higher productivity.

3.5 Seamless training and updating: In order to keep the knowledge afresh, the knowledge workers need to be continuously trained and informed about the recent developments happening outside by means of news journals, magazine, special lecture and classes. The human resources are expected to update their knowledge strength by attending the special seminar, courses. In many areas periodical skill retaining or sharpening programme are inducted as a part of HRM activities.

3.6 Retention: Traditionally, organizations retain only those people who add value to the organization through their experience, expertise and knowledge. But, in the present scenario, it does not suffice if people possess knowledge, but need to share them with the others in the organization. This shared knowledge is stored in a central repository accessible to all. Organization, only encourage and retain those people who are willing to share knowledge and work towards the holistic improvement of the organization and just not solve problems localized around his personal expertise.. The exit of a key person without proper documentation and codification of his/her knowledge would result in a loss for the organization, since this would require re-inventing the wheel and going through the process of knowledge creation all over again. Hence proper documentation in the form of code is very much essential.

To sum up, the strategies,

- 1) Higher Level of recruitment will result in Higher Level of Knowledge Management:
- 2) Higher level of orientation and training will result in higher level of Knowledge Management.
- 3) Higher level of Reward Systems will result in higher level of knowledge enhancement:
- 4) Higher Level of Performance Appraisal Leads to Higher Level of Knowledge Management:
- 5) Continued training and updating of knowledge helps to higher level of knowledge management:
- 6) Due to exit of large trained personnel and to retain knowledge workers motivation and reward schemes help in Knowledge Management.

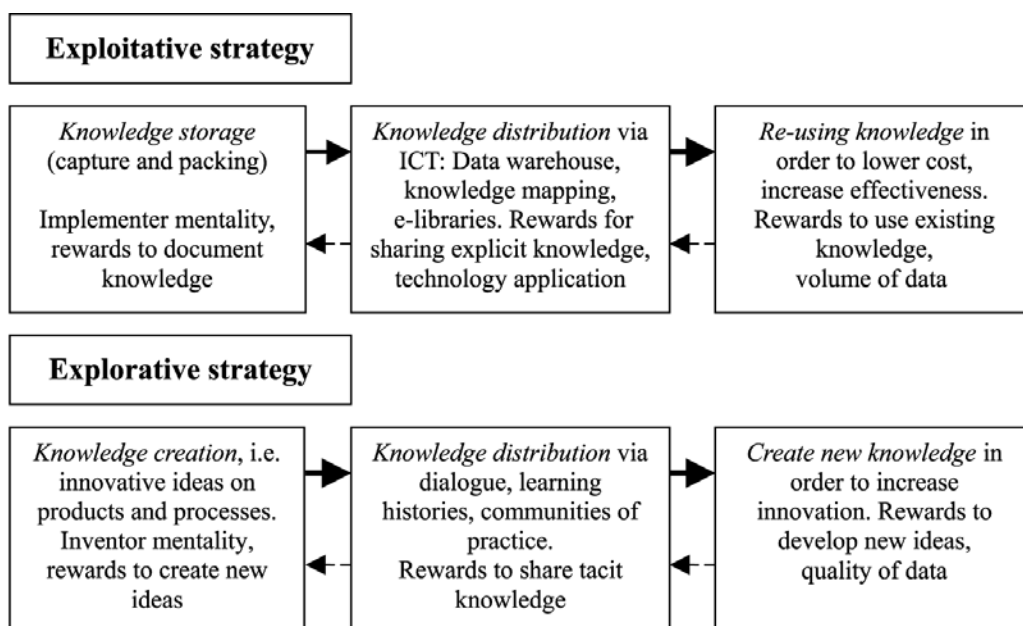
4.0 KM and HRM strategies:

Hansen et al. (1999) argue that there are basically two strategies for managing knowledge. They term these strategies “codification” and “personalisation.” The former refers to the codification of explicit knowledge that is formal and objective and can be expressed in words, numbers and specifications. Such knowledge tends to be stored in databases where it can be accessed and used readily by anyone in the company. This increases effectiveness and growth (Hansen et al.,1999, p. 110): “The re-use of knowledge saves work, reduces communications costs, and allows a company to take on more projects.” The codification strategy being a low-cost strategy, focus on effectiveness, and standardization. The combined KM and general strategy of this kind is called exploitative strategy.

Personalization refers to personal development of tacit knowledge that is based on insights, intuition and personal skills for solving complex problems. Such knowledge is mainly shared through direct person-to-person contacts. Dialogues, learning histories and communities of practice are among the techniques that have to be used in order to facilitate tacit knowledge sharing. Personalisation and explorative learning are closely related, where explorative learning is associated with complex search, basic research, innovation, risk-taking and more relaxed controls. There is a hypothetical argument that an explorative strategy will place

greater weight on knowledge creation, innovative ideas in the product and processes. Traditional research in organizational studies also indicates that knowledge strategies, and work organization in general, are dependent on national culture, sector of industry, professional norms, level of unemployment, management culture, as well as trade unions and class struggle (Dobbin and Boychuk, 1999; Edvardsson, 1994; Horowitz et al., 2003; Lane, 1989). These exploitative and explorative nature of strategies along with instinctive strategy which incorporate both the HRM and KM have been given in Fig 1.

In extra ordinary situations, the strategy followed are instinctive nature. The organization perform their functions on emergent basis due to poor management scheduling. They collect the data available spread all over here and there on crisis management and decide the course of action instinctively. Even though such a type strategy is not preferred in most of the organizations, they are situation and environment dependent nature. This type of strategy may yield the result temporarily. On some instances the ideas and actions are more effective and innovative than the explorative KM activities. The instinctive strategy are explosive nature and the effects may diffuse quickly.



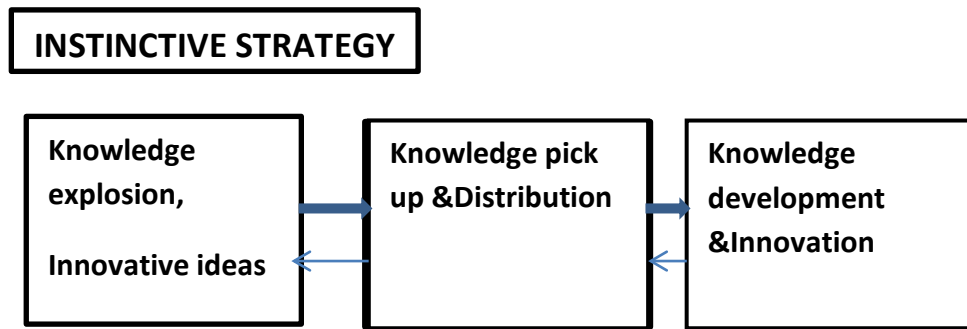


Figure 1.KM strategies and behavioral outcomes.

5.0 Discussion:

It is evident, that there are at least three strategies associated with knowledge management. As with all strategies, these can be combined in various ways within the firms. Creative HRM strategy, for instance, can be dominant within R&D, while effective HRM strategy may be common in production departments. Hiring of particular staff, training and job design usually means that there is one strategy which becomes dominant within firms. Hansen, et al. also argue that firms that offer standardized and mature products and services tend to choose the effective KM strategy. Firms offering customized and innovative products tend to choose innovative KM strategy. Rapid technological changes, shifting markets and the ever more complex organizational environment, the innovative strategy and creative HRM will probably be adopted by an ever-growing number of organizations in the near future.

Bill Gate (Micro soft) discusses, the most complex problems could be solved by a non-committed and less knowledgeable person since the instinct ideas arising within him would solve many challenges. Many occasions such strategy may help to perform organizational issues.

6.0 Conclusion:

In recent trend , knowledge management and human resource management within it are continuously progressing in every part of the activities. They are very

much interlinked and they are in infancy. The generalization of strategies is not possible in this stage, as the findings are now on case study and experimental basis. Earlier studies reveal that HRM strategies may differ, depending on mediating variables, such as, industry type, ownership structure (multinational-domestic) and cross-cultural factors (Horwitz, et al., 2003). Today, KM has become a central topic of management philosophy as well as a management tool.

KM is about developing, sharing and applying knowledge, within the organization, to gain and sustain competitive advantage. The role of HRM in enhancing the Knowledge management demand research in areas such as strategy, recruitment, training, performance management, reward systems, and seamless training and knowledge updating. The KM strategies have behavioral effects, which do have a probable impact on the knowledge management process in general. Innovative KM, will place more weight on knowledge creation, Human Interaction to transfer tacit knowledge and using knowledge to create new knowledge.

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