



The Impacts of Human Resource Management in Knowledge Management in Small Companies

Salma Advan*

Department of Management, Faculty of Humanities Sciences, University of Mosel, Mosel, Iraq

Received: 15 January 2021

Accepted: 26 February 2021

Published: 01 March 2021

Abstract

This study untangles role of Knowledge management in human resource practices. Human resource management deals with the design of formal systems in an organization to ensure the effective and efficient use of human talent to accomplish organizational goals. Knowledge itself is increasingly claimed to be key critical resource and source competitive advantage in the modern global economy, especially with the rise of the service economy, the growth in the number of knowledge workers in increasingly rapid flow of global information, and the growing recognition of the importance in intellectual capital and intellectual property rights. The aim of the study is to obtain new insight into the phenomenon of knowledge management in modern day organizations and the role Human resources may play in facilitating access to knowledge and the talent that knowledge management provide for human resource practices become more efficient and effective. This paper looks at some of the ways in which HR can revise its own systems and practices to ensure that they have a knowledge focus and reinforce the organization's overall knowledge management goals.

Keywords: Knowledge Management; Human Resource; Knowledge Migration.

How to cite the article:

S. Advan, *The Impacts of Human Resource Management in Knowledge Management in Small Companies*, *J. Hum. Ins.* 2021; 5(1): 050-055, DOI: 10.22034/jhi.2021.122574.

©2021 The Authors. This is an open access article under the CC BY license

Introduction

In an era where competitive advantage is perceived to be linked to knowledge, considerable interest in knowledge management continues to be the trend. Given the broad scope and interdisciplinary nature of KM, this interest spans traditional functional and professional boundaries ranging from IT professionals, to accountants, marketers, organizational development and change management professionals. A notable common feature of this widely divergent activity is an emphasis upon knowledge work, knowledge workers and the nature of knowledge within organizations. While it can be argued that there is a reasonable consensus on the nature and scope of HRM, its components and principles, this is not the

case where KM is concerned. Accordingly, before one can undertake an analysis of the relationship between the two areas, it is necessary to state as clearly as possible what is understood by KM. Much of the literature of KM continues to reflect a techno centric focus, similar to that of information management, which in essence regards knowledge as an entity that can be captured, manipulated and leveraged. This is a limited and ultimately hazardous perception. Critical to any realistic understanding of knowledge and its incorporation into the management of organizations, is awareness of a range of views on the concept, which includes perceptions of knowledge as an entity (akin to information), as a resource, as a capacity and as a process. For present purposes, it is important that knowledge is viewed as a social creation emerging at the interface between people and information

* Corresponding Author Email: Salma.advan@yahoo.com

and especially within communities engaged in communication, knowledge creation, and knowledge sharing and learning. From an operational perspective, KM can be described as the systematic processes by which an organization identifies, creates, captures, acquires, shares and leverages knowledge (Chivo and Popescu, 2008). In terms of the HRM function, the rise of the so-called knowledge economy has had a major impact, with a considerable shift from HRM as a bureaucratic 'personnel management' operation to the development of discrete HRM functions over the past few decades. This has been accompanied by the integration of these functions to support competitive advantage and a more strategic thrust. Having said this, a considerable number of experts in the area warn that HRM faces extinction if it does not respond to changes brought about by the shift from a traditional to a knowledge-based economy (Lengnick-Hall & Lengnick-Hall, 2003). Unable to add value under these conditions, the HRM function is perceived to be under extreme threat. It has been suggested that one way for HRM to reinvent itself is through its contribution to effective linkages between human capital management and knowledge management within organizations. The rapid growth of technology has led to an economy where competitive advantage is increasingly based on the successful application of knowledge (Lengnick-Hall & Lengnick-Hall, 2003). Traditional HRM functioned under narrow operational boundaries; in the knowledge economy the role of HRM needs to expand, looking both within and outside the organization. The traditional focus on managing people has been broadened to managing organizational capabilities, managing relationships and managing learning and knowledge (Chivo and Popescu, 2008).

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 five key areas: Roles, Responsibility, Strategic Focus and Learning Focus and Knowledge Migration. Even though people hold the key to valuable knowledge, this linkage of people to knowledge is not generally realized or applied. The study strive to obtain new insight into the phenomenon of organizational KM and the supportive role HR could play in this regard. The primary focus of this study is what role HR could play in KM practices.

Human resource and human resources management

Human resources and human resource management are generally considered to be one of the most important issues in managing nowadays business organizations. In many cases, academicians as well as business people, fail to

make a differentiation between "personnel" and "human resources" (Aziri et. al., 2013). Main difference between "personnel management" (PM) and "human resource management" are explained below. From time and planning perspective, first one is short term, reactive, ad hoc, and marginal and second one is long term, proactive, strategic, and integrated. HRM are commitment from psychological point of view and PM is compliance. Control systems in HRM are external controls and in PM are self-control. Preferred structures in PM are bureaucratic/mechanistic, centralized, formal defined roles while in HRM are organic, devolved, and flexible roles. Evaluation criteria in PM is cost minimization and in HRM is maximum utilization. A few main areas of human resource management functions are usually identified such as: human resource planning, job design, information system, employee recruitment, performance management, and employee development and employee remuneration. They are on a permanent pursuit to find the "optimal company", the company that would not only enable their financial needs, but rather a company that would also create opportunities for them to utilize their skills, creativity and knowledge.

Knowledge management

Knowledge management has without any doubt become one of the most interesting research topics in the last couple of years. Knowledge management is the way an organization identifies and leverages knowledge in order to be competitive. It is the art of creating value by using organizational intellectual capital, which is what the organization (or, more exactly, the people in the organization) knows. Knowledge management is a conscious effort to get the right knowledge to the right people at the right time so that it can be shared and put into action. (Mathis and Jackson, 2010, p.254). The Holy Grail of Knowledge Management is the ability to selectively capture, archive, and access the best practices of work-related knowledge and decision making from employees and managers for both individual and group behaviors. For example, a manager may have knowledge of how to quickly procure parts from a supplier (individual behavior) as well as how to work with other managers in getting policies pushed through the corporate hierarchy (group behavior). (Bergeron, 2003, p.7).

It has been argued that knowledge management is a poor term because knowledge cannot be managed. This is because knowledge lives primarily in the mind. Information management doesn't prove to be much of an improvement in terminology because it carries with it decades of baggage and preconceptions that focus solely on technology. Effective management of our infinite

assets requires a much broader focus that includes the philosophies, techniques, and infrastructure components necessary to drive collaboration, innovation, and business agility. KM focuses on utilizing new ways to channel raw data into meaningful information—and hopefully knowledge. People who claim to know something about KM must decide whether the field is more about knowledge or management. The dark secret of this field is that its name is an oxymoron, for as soon as business enters the picture, the interests of knowledge and management trade off against each other. To be sure, rising to the level of efficiency demanded of the market can take different forms. It may take the Taylorist route of increasing the level of surveillance on one's own workers, so that more of the fruits of their labors are reaped by their corporate employers. Alternatively, it may involve acquiring a better understanding of the market itself. In short: What do consumers want?

Who, if anyone, is currently providing it? Or, more ambitiously: What can consumers be made to want? (Fuller, 2002, p.2). As can be noticed from picture 1, knowledge management plays a significant role in human resource management. Knowledge management can be analyzed from different aspects. From doing business point of view knowledge management has two main meanings. Rapid changes in business and technology are forcing organizations to learn at an unprecedented rate. Many are realizing that unless knowledge collection and transfer occurs at an equally rapid rate, their competitiveness is affected, leading them to focus more intently on their knowledge assets. Though the full specification of the set of these assets is evolving, there seems to be a consensus that they include the organization's employees, structure, culture and processes. Of these, the Knowledge Management (KM) literature has tended to emphasize employee knowledge, particularly tacit knowledge, on the grounds that this is where the interesting knowledge resides. While this viewpoint is probably valid and useful, process knowledge is also an essential part of organizational knowledge and has tremendous significance from a knowledge management perspective. To begin with, organizations have a sizeable intellectual investment in the form of formalizations of processes. Descriptions of manufacturing processes, for instance, include the raw material and equipment used, the appropriate environmental conditions to be realized, the treatment times etc. These descriptions are essential to training employees, establishing standards and communicating best practices within the organization. But they are by no means static. (Mahapatro, 2010, p.275).

Human Resource and Knowledge Management

In the contemporary business environment, the competitive position of companies among others is influenced by its capability to create new knowledge which in return results in the creation of a competitive advantage. Organizational learning is an integrative characteristic of most companies although not all of them are able to utilize it for the creation of an improved performance. Organizational knowledge and knowledge management are interconnected and both are widely dependent on human resources. It is claimed that successful learning organizations create an organizational environment that combines organizational learning with knowledge management. Moreover, whereas organizational learning is primarily concerned with the continuous generation of new knowledge, knowledge management is primarily centered on the formalization, storage, sharing and distribution and co-ordination of existing knowledge assets throughout the organization. An inherent feature of both is the sharing of ideas to create and develop new knowledge, enhanced by conducive organizational structures and culture and supported by effective knowledge management systems. (Pilbeam and Corbridge, 2006, 340). Although human resource management can be approached in different aspects, the fact remains that it has to do with the employees. On the other hand the role and importance of human resources in knowledge management is undeniable.

The Role of HRM in KM

A few ways for human resource management to influence KM are usually mentioned as (Armstrong):

- 1) Help to develop an open culture in which the values and norms emphasize the importance of sharing knowledge.
- 2) Promote a climate of commitment and trust.
- 3) Advise on the design and development of organizations which facilitate knowledge sharing through networks and communities of practice (groups of people who share common concerns about aspects of their work), and teamwork.
- 4) Advise on resourcing policies and provide resourcing services which ensure that valued employees who can contribute to knowledge creation and sharing are attracted and retained.
- 5) Advise on methods of motivating people to share knowledge and rewarding those who do so.
- 6) Help in the development of performance management processes which focus on the development and sharing of knowledge.

- 7) Develop processes of organizational and individual learning which will generate and assist in disseminating knowledge.
- 8) Set up and organize workshops, conferences, seminars and symposia which enable knowledge to be shared on a person-to-person basis.
- 9) In conjunction with IT, develop systems for capturing and, as far as possible, codifying explicit and tacit knowledge.

- 10) Generally, promote the cause of knowledge management with senior managers to encourage them to exert leadership and support knowledge management initiatives.

According to Evans (Evans, 2003) in order to maximize the opportunities for an improved knowledge management the Human resource practitioners need to ensure that each of the practices shown in figure 1 are aligned with the organizations knowledge goals.



Figure 2. Linking KM and HRM

One of the issues when it comes to the role of human resources in knowledge management is how can human resource management contribute in order for the company to be able to utilize its knowledge as a competitive advantage. The answer to this question can be found in figure 2.

As can be noticed all components of the human resource management system have an influence on knowledge and knowledge management. Combined with the increased efficiency of the individuals, teams and working groups contribute to the creation of a sustainable competitive advantage of the business organizations.

Knowledge creation and migration for HRM

The process of knowledge appreciation may follow knowledge migration. An appreciation of how migrated knowledge can be of use to relevant others is essential if they are to be able to harness it within a behavioral world. Knowledge appreciation

by relevant others is dependent upon knowledge contagion to these others. In addition, the evaluation reference criteria derive from knowledge about intention and logic-relational cognitive purposes (Chivu and Popesco, 2008). Interestingly, this connects with idea of planning knowledge – the knowledge of which pathways to select in order to achieve a solution. In other model, knowledge can be created spontaneously within a migration process, and any socialization process that occurs is through communication that may be seen to act as a trigger for new knowledge. Unlike other models, this cycle is not required to be monotonic and continuous, relative to a conditioning process. Rather, the process of continuity is transferred to the communication process, and knowledge creation is cybernetic, passing through feedback processes that can change the very nature of the patterns of meanings that were initiated through semantic communications.

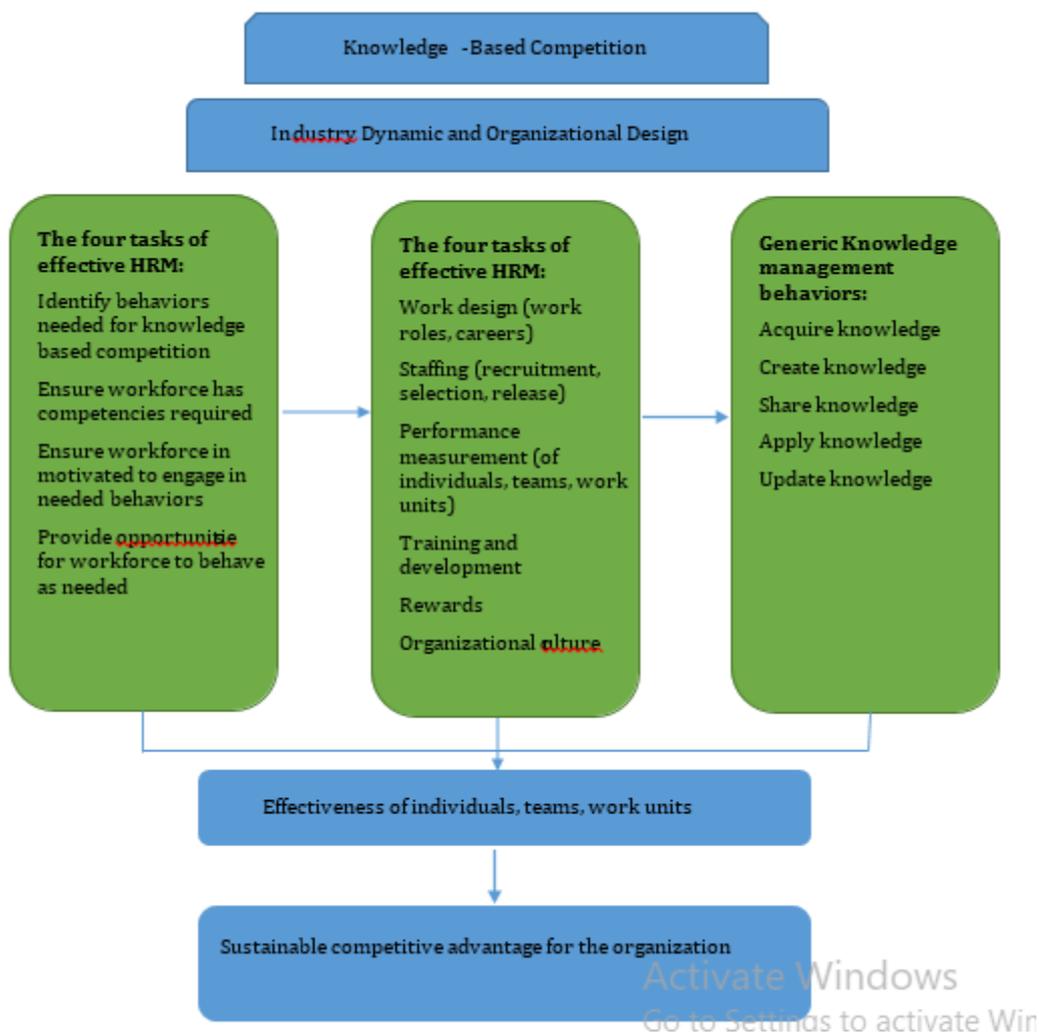


Figure 2: HRM and KM

It is also necessary to recognize the unique attributes and value of knowledge work and knowledge workers, demanding new types of training and development in knowledge creation and transformation, competency building, and technology training. Associated with each phase of knowledge creation are, it is proposed, different types of knowledge workers. Thus, those who are particularly good at migrating knowledge are seen as knowledge identifiers which (after Marshall) we shall call identifiers, elaborators and executors. We can classify two cultural classes of identifiers, sensate and ideational, following Sorokin (Yolles, 1999, 2000). Sensate culture is to do with the senses, and can be seen to be utilitarian and materialistic. Ideational culture relates to ideas; an example might be adherence to spirituality or ideology. The appreciation phase of knowledge creation has associated with it those who might be

called elaborators. It is possible to classify two polar types of elaborators, those who are responsive to new knowledge, and those who are not. Finally, closely associated with the phase of knowledgeable action are executors. Two types of executors are proposed.

Fundamentalists adhere to notions very strictly, whilst pragmatists provide for some degree of leeway in the way that adheres to notions. It is not necessary to be either fundamentalist or pragmatist. There may be phases in between them, in the same way, for example, as there may be between insulated and responsive elaborators, or sensate and ideational identifiers. Thus for instance, an identifier may be able to mix sensate and ideational perspectives, in a condition referred to as idealistic. These notions have the potential for developing a set of measures that can develop a profile for knowledge personality/sociality and

place individuals in coherent groups. Clearly, these tentative propositions need testing through further empirical research. Differentiation is likely to evolve as KM becomes institutionalized inside and outside organizations. With such differentiation of types, aptitudes and skills, HR will not surprisingly find a fertile ground to apply its wellgrounded 'traditional' expertise in selection, assessment, performance management, training for skill enhancement and reward schemes.

Conclusion

This study stresses the importance of the relationship between and dependence of KM on human resources in business organization. In terms of knowledge migration, HR may play a major enabling role in helping identify the potential of knowledge migrants through assessment and selection; by helping facilitate knowledge migration through appropriate communication, reward and recognition schemes; and by enhancing knowledge migrations' likelihood of success and retention through training and development, as well as by developing organizational processes that facilitate knowledge migration, knowledge appreciation, and knowledgeable action.

As can be noticed from the text above, based on an extensive literature review a strong correlation between human resource management and knowledge management can be found.

Although knowledge management has grown to become one of the most studied areas in business in the developed countries, on fortunately it still remains understudied in the Iran. Hopefully this will change in the future because there is a strong chance that in the near future only knowledge-based companies will be able to create and sustain competitive advantage.

References

- 1) Armstrong, M. 2006. A Handbook of human resource management practice. London : Cogan Page, 2006.
- 2) Bergeron, B. Essentials of Knowledge Management. New York : John Wiley and Sons.
- 3) Evans, C. 2003. Managing for Knowledge: HR's Strategic Role. Boston : Butterworth Heinemann, 2003.
- 4) Fuller, S. Knowledge Management Foundation. Boston : Butterworth Heinemann.
- 5) Hall, Mark Lengnick and Hall, Cynthia Lengnick. 2003. Human Resource Management in the Knowledge Economy: New Challenges, New Roles, New Capabilities. s.l. : Berret-Koehler Publishers, 2003.
- 6) Human Resources and Knowledge Management. Aziri, Brikend, Veseli, Nexhbi and Ibraimi, Sadudin. 2013. Zadar : International Conference on Active Citizenship by Management, Knowledge Management and Innovation Knowledge and Learning, 2013. pp. 1-7.
- 7) Human Resources Management in the Knowledge Management. CHIVU, Iulia and POPESCU, Dan. 2008. 4, 2008, Revista Informatica Economica, Vol. 48, pp. 54-60.
- 8) Jackson, S. E., Denisi, A. and Hitt, M. Managing Knowledge for Sustained Competitive Advantage: Designing Strategies for Effective Human Resource Management. San Francisco : Jossey Bass.
- 9) Mahapatro, B. Human Resource Management. New Dehli : New Age.
- 10) Mathis, R. and Jackson, R. 2010. Human Resource Management. s.l. : Cengage Publishing, 2010.
- 11) Pilbeam, S. and Corbridge, M. 2006. People Resourcing: Contemporary Human Resource Management in Practice. Harlow : Prentice Hall, 2006.