

KM and Human Resources Management

The changes in the present industrial scenario have necessitated changes in the structure and functioning of organizations. Organisations have been focusing on radical changes in the structure resulting in flatter and leaner organizations.

This is corroborated by researchers in the Center for Effective Organizations at the University of Southern California's Marshall School of Business in Los Angeles who have conducted five surveys from 1987 to 1999 to determine changes in the management practices of Fortune 1000 corporations and have observed that large organizations have changed shape dramatically in that time, reducing layers of hierarchy, dispersing authority and decision making, and adopting a variety of practices associated with knowledge sharing, quality improvement and information technology. They have concluded that organizational change is the central route to competitive advantage.

These changes with increased emphasis on knowledge management have resulted in significant shifts in the working environment and HR policies pursued by the organisation. 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.

The human resources management function has assumed strategic importance in recent times as against a traditional functional outlook. The Resource based approach to strategic human resources (SHRM) described by Frank Muller recognises the value of informal, incidental learning in the workplace and stresses on the activation of this reservoir of skills and accumulated knowledge for competitive advantage which the area of emphasis of the knowledge management discipline.

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.

Knowledge management systems and HR

Human resources department in most organizations handle high volumes of data and this data and updation can be managed better using efficient knowledge management systems. (e-g) The knowledge management system could be used to set up self-service human resources systems in the organization which would facilitate employees to modify routine data like changing of address etc. on their own instead of depending on HR department for all the updation. These knowledge management systems ensure proper sharing of data among individuals in the organization.

Recruitment

The recruitment function in organizations has changed from the focus on pure functional expertise to the focus on the extent to which the knowledge processed by a person is inline with central strategy of the organization. In this era of knowledge economy, where knowledge transfer and sharing are critical for developing a competitive advantage, the function of the HR department is to select and recruit individuals who would subscribe to this culture of sharing information and knowledge dissemination.

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 posses knowledge, but need to share them with the others in the organization. This shared knowledge is stored in a central repository accessible to all in the organisation. Organisation, 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.

Reward system

Research studies have clearly established that people are not willing to share data unless they are rewarded for it. To maximize the value of knowledge sharing, employees must understand the following:

- the benefits that sharing knowledge and experience provide to them as individuals,
- The advantages that will be gained to the organization as a whole,
- senior management recognizes the sharing of knowledge,
- knowledge sharing has become an integral part of every employee' s daily function,
- a compensation/reward system is in place to recognize and promote employees who adopt that new behavior.

The organization should consequently have appropriate reward and incentive system which would recognize performance and adequately reward persons who share

knowledge with the others in the organization.

Performance management systems

One of the most prominent shifts in performance measurement is that individuals are valued more for skills, competencies and performance than for loyalty, and these measures, rather than seniority, become the basis for rewards and incentives.

The second generation knowledge management initiatives, in addition to storing existing knowledge, also emphasis on training and learning. Organisations attach significance to learning and acquiring knowledge and this is reflected in the performance measures set for individuals. Research by Bevan and Thompson has showed that performance measures in many organizations include achievement of training and learning targets.

KM and Organisational structure

The phenomenal growth of the Internet has resulted in radical changes in the structure of organizations from the more traditional bureaucratic and matrix type of organizational structure to a more radical virtual corporation and hypertext organization and knowledge base is an essential part of these organizational types.

Virtual corporations are extensively outsourced organizations focusing on adding more value to a selected number of core competencies, which are centrally stored. Quinn, while describing this type of organization has stressed on the accumulation and leveraging of knowledge for the success of this type of organization.

The hypertext organization structure, (Nonaka and Takeuchi) on the other hand consists of three layers, the central layer, project team layer and the knowledge base layer. In this knowledge base layer, the organizational know-how generated in the other two layers is categorized, rearranged and re-contextualised.

KM and Organisation culture

One of the main challenges in the implementation of knowledge management initiatives is to bring about a change in the attitude of people in the organization. In spite of the management consultants advocating team management and the spread of collaboration tools, they are faced with traditional entrenched human traits of rugged individualism.

While people talk of sharing knowledge and team management, they are also aware that knowledge is power and very few are willing to give up power. The culture of the organization needs to change from one of hoarding information to sharing of information. The various tools and techniques available to convert tacit knowledge into explicit knowledge may prove ineffective in the absence of a culture, which facilitates sharing, and individuals who are willing to share this information.

Effective knowledge creation depends upon the way in which people relate to each other in the organisation. Untrustworthy behavior, constant competition, ‘that’s not my job’ attitude are impediments to proper knowledge transfer and sharing.

The activities of the human resources department should focus on creating an appropriate culture in the organization that facilitates sharing of information and motivating individuals to make their tacit knowledge, gained through years of experience and practice, explicit.

Training and organization learning

Knowledge management initiatives, in recent times have focused on second-generation schemes with emphasis on knowledge production in addition to the first-generation emphasis on knowledge codification and sharing. Knowledge creation is a continuous and dynamic process and involves the process of capture and conversion of tacit knowledge into explicit knowledge.

Hence, the training and development programmes of initiated by the human resources department, should, in addition to enhancing the existing knowledge, result in learning and development and these learnings should be captured into the knowledge base of the organization.

Exit

The implementation of knowledge management initiatives is most crucial in this phase of human resources activity. 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. But, the knowledge thus created, may in effect may not result in the most effective performance or result in the absence of the inputs based on the tacit knowledge of the person who has left.

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