

## THE ELEMENTS OF HUMAN RESOURCES MANAGEMENT SUPPORTING KNOWLEDGE MANAGEMENT

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**Abstract:** *The article concerns the manners that support enterprise knowledge management activities. One of the most crucial elements that support knowledge management is particularly described. This element is human resourcing management. An article shows a key role of personnel department in the knowledge based enterprise and a range of new tasks to perform. An article highlights also an important role of such aspects of personnel department activities as: creating suitable organisational culture, conducting personnel development activities and staff motivating to realizing knowledge management initiatives or knowledge management program implementing. There is also stressed the matter of personnel assessment as a tool lifting the enterprise's knowledge management level. More over the necessity of knowledge management strategy and human resources strategy linking is mention in an article. There is also indicates that the successful personnel department activities needs an engagement of executives. It also demands the suitability of enterprise organizational structure, introducing the systematically planning and necessity of knowledge management results measurement. These are the activities that facilitate the realizing of new human resourcing management mission in knowledge based enterprise.*

*An article is based on literature and empirical research view including researches conducted by its author.*

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Knowledge management, although it has accompanied our activities for many years is still regarded as the most up-to-date management conceptions. We may speak about a certain trend of the adopting knowledge management practice at the enterprises. The practical interest in this problem is transferred into the scientific environment, which more and more often attempts to investigate this conception of management. These investigations are not limited to drawing just mere sketches of this problematics, but penetrate into still deeper and deeper aspects, coming down to the lower levels of the analysis of this phenomenon. One of the example of such profound investigations is the search for the dependency between knowledge and other elements and factors, which might be applied in the supporting of practices in the sphere of knowledge management. One of such dependencies (confirmed by investigations) is the dependency between knowledge management and human resources management.

This dependency might seem even obvious. Once one of the most valuable resources of the enterprise (knowledge) is possessed by the employees and is their personal know-how, any activities immediately related to the employees will immediately affect the condition of knowledge management. What kind of effect will the best knowledge management program will acquire if it does not consider the system of recruiting and

selection of the employees (the appropriate characteristic and qualification profile of the candidates), without the system motivating the employees to learning and sharing knowledge with their fellow-employees? What will be its effect if personnel policy does not consider the aspects of the professional development? The logic prompts a very simple answer- the effect of such program will be poor!

As the results of some investigations demonstrate, such logical conclusion seems to be simplified. The dependencies between knowledge management and human resources management have at least two directions. Not only human resources management practices support knowledge management. In the opinion of some researchers, the dependency has a reciprocal character. Roberts-Witt wrote about the tendency to apply knowledge management practices for the supporting of activities related to personnel management, in particular, the activities related to the recruiting and retaining of the personnel in the organization (Roberts-Witt, 2003: 4).

Other researchers do not specify knowledge management as something new or independent, but as a new, developed form of human resources management (Yahya, Got, 2002: 460). According to this approach, human resources management would serve as a mechanism supporting human interactions and cooperation processes with the help of contemporary informational tools. In this case personnel management would have to be analyzed in the categories of strategic human resources management concentrated on acquisition, organization and motivation of these resources (Armstrong, 2000: 576-593).

However, there are more voices supporting the dependency of knowledge management from human resources management. Already at the beginning of the analysis we should point out the fact that the majority of the knowledge management initiatives applied by the enterprises and the majority of adopted knowledge management programs commence in the personnel units. These units, alongside with their new roles, such as the encourager projector of new solutions, play a significant role in the sphere of strategies facilitating the knowledge management programs (Soliman, Spooner, 1999: 341). They have a leading role in the creation of knowledge management teams, they initiate the adoption of knowledge management programs, they establish rules and principles of knowledge management and actualize already adopted knowledge management programs.

The system of human resources management on the stage of the adoption of knowledge management conception has to be adapted to its aims, tasks and needs. The necessity of the adaption to the new conditions, particularly the necessity to act within the knowledge-based economy and knowledge management in the organization becomes obvious. (Mikuła, Pietruszka-Ortyl, Potocki 2007: 2-3).

Other investigations also demonstrate a close relationship between knowledge management and human resources management. The investigations conducted by the Center of Management Studies of Leon Kozminski Academy of Entrepreneurship and Management in Warsaw in 2003-2005 were directed at the identification of relations between knowledge management and human resources management at the enterprise<sup>41</sup>. The most commonly emerging factors of human resources management supporting the development of knowledge management are as follows:

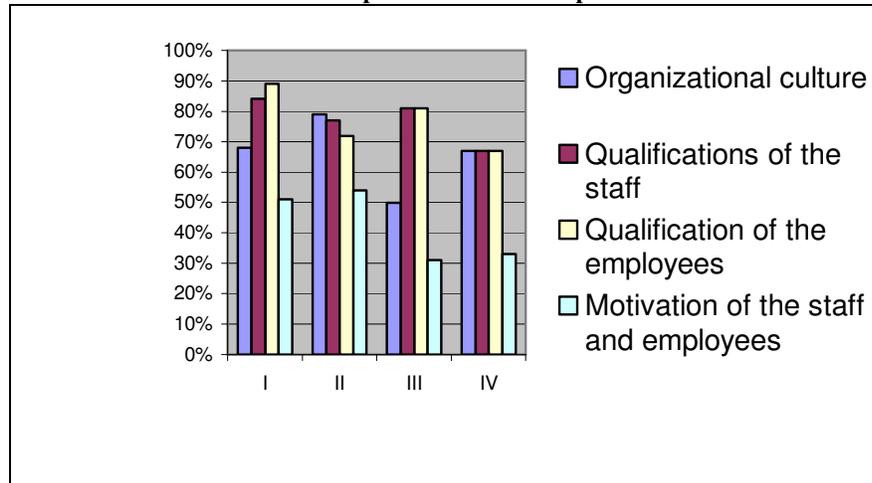
- Organizational culture,

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<sup>41</sup> The investigation was conducted considering the enterprises variability criterion, i.e. their competitiveness, for example. The subjects of the were divided into four categories: market leaders, enterprises with a position stronger than the position of major, enterprises with a typical market position, and enterprises with the weakest market position.

- Qualifications of the staff,
- Qualification of the employees,
- Motivation of the staff and employees.

**Figure 1. The factors supporting knowledge management initiatives and the criterion of the market position of the enterprises**



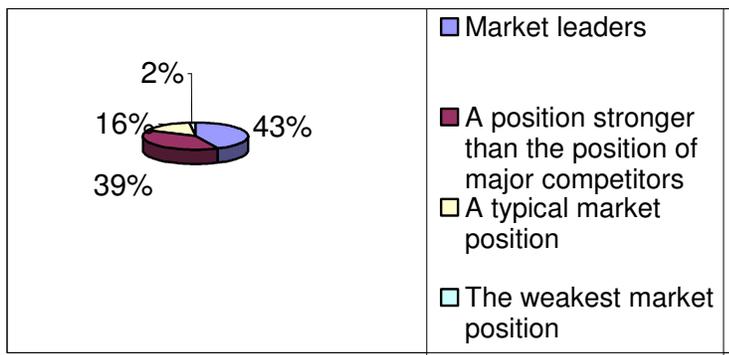
Source: author's own investigation

At the enterprises with the strongest position at the market (leaders) the most frequently applied supporting factors were as follows: qualifications of the employees (89% of indications) and of management staff (84%) (Compare 1). Other supporting factors are the following: organizational culture (68%) and motivation of management staff and employees (51%). At the enterprises with a position stronger than the position of major competitors the situation looks differently. Thus, the most supporting factor is the organizational culture (79%), followed by the qualifications of the management staff (77%), qualifications of the employees (72%) and motivation of management staff and employees (54%). At the enterprises with typical market position the situation was close to that of the leaders. Thus, the most effectively supporting factors were the following: qualifications of the management staff and employees (81% indications each), organizational culture (50%) and motivation of management staff and employees (31%). At the enterprises with the weakest market position the supporting and equally effective factors: organizational culture qualifications of the management staff and employees (67% indications each). The most effectively supporting element was the motivation of management staff and employees (33%). The results of the investigation demonstrate that the strongest factor supporting the activities related to the applications of the knowledge management initiatives are qualifications (both of management staff and employees) and the organizational culture. The motivation of management staff and employees were less effectively supporting.

Besides, the results emphasized the essence of the system motivating the employees to the engagement into knowledge management initiatives. In such case development activities acquired the motivational character.

Motivation systems directed at the supporting of knowledge management processes were identified at 62,89% of the investigated enterprises. Unfortunately as much as 37,11% of the investigated enterprises did not have motivation systems. Considering the market position of these enterprises, the following dependency does not seem to be surprising: the higher the market position is, the more often we can meet systems motivating the employees to the activities related to the acquisition, creation and sharing of knowledge / information at the enterprises (Compare picture 2). Such systems were apparent at 43% of enterprises, which are market leaders, at 39% of enterprises with a position stronger than the position of major competitors, 16% of enterprises with a typical market position and only at 2% of enterprises with the market position weaker than that of their competitors.

**Figure 2. Systems motivating to the actions in the sphere of knowledge management and the criterion of the market position of the enterprises**



Source: author's own investigation

This situation is quite typical, as it is well known that the most successfully motivating factors are material benefits, and the enterprises with the weakest market position have limited opportunities to provide these benefits.

The elements which most successfully motivated the employees to implement activities related to knowledge management at the enterprises as market leaders were the following: the system of the training of the employees (92%), the system of the training of the managing staff (77%), the system of the development of the employees' qualifications (69%) the system of the development of the qualifications of the managing staff (62%). The enterprises with A position stronger than the position of major competitors most often demonstrated the following elements of human resources management: the reward system (76%), system of the training of the employees (68%), recruiting and selection system (64%) the system of the development of the employees' qualifications (60%). The enterprises with a typical market position, demonstrated the following elements of human resources management: recruiting and selection system (60%), building of career development ways for the employees (60%), system of the training of the employees (50%) the system of the development of the employees' qualifications (50%). The enterprises with the weakest market position named only one element of human resources

management, supporting the activities related to the acquisition, creation and sharing of knowledge / information. This element was the reward system (100% of indications).

Most often the enterprises indicated the activities with the development character, such as: training and the improvement of the qualification of employees and management staff. The weaker is the enterprise, the more often it applies elements like recruiting / selection, Carter development ways, sometimes instead of development and training activities. Perhaps, this dependency is related to the costs of the implemented activities. The training and development system was significantly limited at the majority of enterprises due to the serious budget cuts in the period of economic stagnation, even at the initial stage of the economic revival. In such cases only the employees who had remarkable achievements and engagement in the work were sent to the trainings, and these trainings had a motivational character.

Although the managers of enterprises seem to be aware of the importance of the problem of sparing knowledge and the significance of the motivation system for collecting and application of knowledge by the employees, it is obvious that the majority of the enterprises still lack the appropriate atmosphere for open sharing of knowledge, they also lack the effective system of reward, encouraging employees to be engaged in these knowledge-sharing initiatives (Pfeifer, Hanel, Greiser, Reiser, 2001: 46). Activities aimed at the motivation of employees to share knowledge are very difficult (Romańczuk, 2001: 190) and applied rarely, as we may conclude from the investigations of Reinold Hagen Foundation. Only 16% of the investigated enterprises had motivation programs encouraging employees to sharing knowledge (Pfeifer, Hanel, Greiser, Reiser, 2001: 44). However, the investigations of Main School of Commerce show a bit different picture. Thus, at 80% of investigated enterprises employees are motivated to sharing their knowledge and experience. In half of the enterprises participating in the investigation (47%), the attitude of the personnel towards these activities were considered while implementing the periodical personnel appraisal activities, and in 36% of organizations the mechanisms forcing the employees to share their knowledge were applied (Płoszajski, 2001: 10).

Besides, human resources management units play a major role in the supporting of strategies facilitating the adoption of knowledge management programs (Soliman, Spooner, 1999: 341). This support usually concerns the following:

- Creation of knowledge management teams,
- Initiating knowledge management programs,
- Establishing of rules and principles of knowledge management
- Actualization of knowledge management programs.

The support, which we mean here, is supposed to be based on a more serious effort (professionalism) in the implementation of selection and recruiting procedures, development, motivation, rewarding and promotion of the employees, their development and succession plans, adequate management philosophy and control (Soliman, Spooner, 1999: 343).

Alongside with the above-named task of human resources management units their main tasks is the implementation of the measuring of knowledge (mapping of knowledge, identification of knowledge gaps) creation and dissemination of knowledge within organizations, encouragement of employees' usage of knowledge gathered at the enterprise and the monitoring of the periodicity in the application of knowledge bases. (Soliman, Spooner, 1999: 337-345). Human resources management activities should take into account the following spheres related to knowledge management:

- The attainment of the common direction to knowledge management and main business activity of the enterprise,
- Identification of benefits of the effective knowledge management activities,
- Selection of appropriate knowledge management programs,
- Adoption of knowledge management strategies,
- Creation of the environment supporting the adoption of knowledge management programs (appropriate climate),
- Application of information technologies supporting knowledge management programs,
- Creation of staff knowledge management teams,
- Creation of the leadership in the sphere of knowledge management.

The investigations of the role of the periodic personnel appraisal of the employees at knowledge management organizations also demonstrate a dependency of human resources management and knowledge management. These investigations enabled to specify a close relationship between personnel appraisal tool applied at the enterprise and the achieved level of knowledge management. The results were surprising, as numerous common features of personnel appraisal tools of the enterprises, which achieved the highest level of knowledge management were identified. Thus, organizations, which applied personnel appraisal tools with several common characteristic features, i.e. the tools, the structure of which was close to the ideal model and took into account the criteria specific for knowledge management, achieved two highest levels of knowledge management (interactive system of knowledge management- level III and platform system of knowledge management- level IV, the highest level). The organizations, which applied poor personnel appraisal tools, containing several constructional drawbacks, achieved only the basic level of knowledge management.

As it was mentioned before, the interdependence between human resources management and knowledge management at the enterprises is very complex. If knowledge management is regarded as a long-term strategy of the enterprise, then the role of the human resources management patricians in the general strategy of the enterprise, knowledge management enterprise and human resources management becomes very significant. The combined application of knowledge management and human resources management, as a rule, contribute to the improvement of the effectiveness of organization's activities, which results in the improvement of the activity of the whole organization and its achievements. (Gloet, Berrell, 2003: 83-84).

As it was mentioned before, the activities of human resources management units are supposed to support knowledge management initiatives. However, in order to secure a high efficiency of these activities the following issues should be taken into account:

- Support of knowledge management initiatives by the management of the enterprise,
- Appropriate organizational culture,
- Planning and structure of the organization,
- Education and training,
- Measurement of the achieved results of work,
- Engagement of the organization's members (Dale, Cooper, 1992: 83-84).

The support of the management of the enterprise, which will be discussed later, is necessary, as the decisions coming from the high management level has a major influence on the organization's members. The support of the activities from such a high level often

determines their result and success. The managing staff of the enterprise, which notices the interrelations between knowledge management and human resources management, is also aware of the value of tacit knowledge, the power of human factor and importance of the proper management of this factor. The support of knowledge management initiatives from the management of the enterprise does not mean the engagement of only the top managers. The same attitude and engagement should be demonstrated by the mid-level management, as the representatives of this level of management are responsible for the transfer of the ideas into the organization.

In the opinion of I. Nonaka and H. Takeuchi, the mid-level managers (often called „knowledge engineers”) often play the leading and the most valuable role at the enterprise. In order to use their role in the most effective way, the model of management „middle – top – bottom” should be applied, as, in their opinion, it is the best one among the other models of management at the knowledge management enterprise. This is a model, which primarily facilitates the creation of the organizational knowledge. Describing the role of the mid-level managers we may use the metaphor „strategic nod or “bridge””, which perfectly reflects the specific character of their role. „The act as a ‘bridge’ between the distant ideals, emerging at the top, and chaotic the everyday activity of the employees” (Nonaka, Takeuchi, 2000: 160). This model emphasizes the role of mid-level managers. The importance of this level of management lies in the fact that the managers of this level make the attempts to solve the contradictions between what the top management wishes to achieve and what is really possible to achieve.

Knowledge management requires the change of the role of the top and linear managers from the reactive to the pro-active in the spheres of learning (mentoring, coaching), the creation of the business identity of the employees, development of the organizational culture facilitating the sharing of knowledge in the organization and the creation of the values essential for customers, employees and shareholders. Human resources management specialists, besides their actual roles, should play the role of the encouragers in the sphere of acquisition and creation of knowledge and the creators of changes. Human resources management unit, particularly on the central level of a large enterprise, should become the business partner of the administration of the enterprise oriented at the creation and adoption of personnel strategies, new methods and tools of human resources management, taking into account significant values of human capital of the enterprise.

The most difficult problems accompanying the adoption of knowledge management appear in the sphere of the sharing of the possessed knowledge / information by the employees with other employees, and in the sphere of the application of knowledge in practice (knowledge, which is either acquired from other people, or knowledge available in the databases). Thus, it is vitally important to attain the mutual credence of the employees and to develop the culture, which would help to identify the tacit knowledge and encouraging people to share this knowledge. Organizational culture is primarily supposed to encourage the continuous learning, sharing of knowledge by the employees, and facilitate the teamwork. The development of these aspects of culture enables to generate added value of the employees, regarded as the agents of the continuous progress (Dale, Cooper, 1992: 85).

One more element of human resources management is the systematic planning and the organizational culture, facilitating the proper distribution of the enterprise’s resources, developing the engagement of the employees and encouraging them to participate in knowledge management initiatives. The organizational structure is supposed to enable the construction of both formal and informal communication channels, applied as the tools of

the experience exchange between the employees. The value of the employees searching for the solutions of this problem by way of using these channels significantly increases in the organizations adopting knowledge management. Such „soft environment” facilitates the development of the strategy directed at the acquisition of the tacit knowledge of the employees. (Dale, Cooper, 1992: 85).

One more element in the sphere of human resources management supporting knowledge management is the development of the employees. A significant importance is attached to the activities related to the education and training of the employees at the enterprise. B. Dale and C. Cooper recommend drawing less attention to systems and tools, but more attention to processes and people, the activities should be directed at the learning of the employees, support the development of structures based upon teamwork, and encourage sharing and dissemination of knowledge. The element of the employees' development is closely connected with the development and retaining of the organizational culture, supporting the processes of learning in the organization.

In the activities related to the knowledge management, as well as in all the organizational activities a significant importance is attached to the measurement of the acquired results. Thus, all the benefits acquired in the sphere of knowledge management should be measured by way of using both qualitative (if possible) and quantitative parameters.

The acquisition of the good results in the sphere of knowledge management initiatives requires the acquisition of credence, acceptance and engagement of all the employees to the activities of the enterprise at all the levels of its structure, By M. Santosus and J. Surmacz the key role here is played by the system of motivation and reward. However, in the process of the adoption of the program motivating the employees to the participation in knowledge management there might be a danger, that the employees will participate in these initiatives for the sole purpose of getting benefits from the motivation programs (awards, etc.) without and disregard the quality of their own contribution (information, knowledge, etc.). This program should be constructed in the way, which will enable the employee regard the participation in knowledge management itself as a reward (Santosus, Surmacz, 2001). This is a new challenge faced by the patricians of human resources management.

Global competition forces organizations to apply an innovative approach to the activities related to the management of the enterprise. Knowledge management, more and more often applied in practical business activities practice, is a manifestation of this approach. The acquisition of success in knowledge management requires certain activities, which have a supportive character. Knowledge management does not function independently; it enters into the interaction with various elements of the organization.

One of the most obvious interrelations is the interrelation between knowledge management and human resources management. Although we may speak about the mutual influence of these elements, the influence of human resources management is the dominating one in this interrelation. We should point out that the majority of initiatives in the sphere of knowledge management commence in the personnel units. The adoption of the knowledge management programs influences on the change of the role, which they recently played. These units have to implement new actions, i.e. the measuring of knowledge, mapping of knowledge, differentiation of knowledge gaps, creation and dissemination of knowledge or the monitoring of the periodicity of usage of knowledge bases by employees. However, personnel units should draw a particular attention to the organizational culture and development and motivational activities. Thus, organizational culture, qualifications and motivation of the employees and the staff of the enterprise have a major influence on the development of knowledge management practices. In the sphere of

periodic personnel appraisal procedures the significant role of the support of human resources by knowledge management becomes more and more significant. Personnel appraisal systems projected in the appropriate way have a major impact on the development of knowledge management and on the attainment of the higher levels of the development of these processes. We should point out, that personnel units do not only support the development of certain initiatives / practices of knowledge management, but should be concentrated on the supporting of the adoption of knowledge management programs. It should be remembered that the consolidated application of knowledge management strategies and human resources management strategies positively influence on the improvement of the efficiency of the enterprise and its achievements.

However, personnel units cannot be burdened with all the responsibility for the success of these activities. They need support (engagement) of the enterprise's management, they also need the appropriate organizational culture, which encourages the open communication, eliminating the barriers for the communication, initiated by the organizational structure, they require a systematic planning, regular activities directed at the development of the employees, measuring of the results and overall engagement of all the members of the organization. Only under these conditions we may expect the significant effects of knowledge management.

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