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ROLE OF KNOWLEDGE MANAGEMENT IN HUMAN RESOURCE MANAGEMENT**A. ARUN KUMAR***

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ABSTRACT

Emergence of number of business firms today have led to a competition in the business world. To sustain their position in the competitive world outside, the business firms keep a constant watch on the market, reduce their cycle times, operate with minimum fixed assets, reduce product development time, improve customer service, empower employees, innovate and deliver high quality goods, capture information, create and share knowledge. Managers are responsible for all the issues in the company. They need to take right decisions at the right time. This requires an effective knowledge management. Knowledge is the theoretical or practical understanding of a subject. Knowledge is a core essence of any organization and the knowledge assets help the organization in paving a simpler path for reaching the organizational goals and objectives. Knowledge has become a crown jewel of

every business firm and organization. Managing the knowledge assets available in an organization is the major challenge the business firms are facing today. This paper examines the role of knowledge management in human resource management. It shows how effective KM can change the face of HRM in organizational growth and success.

Keywords: Knowledge, Knowledge Management Importance, Human Resource Management.

INTRODUCTION

Knowledge management (KM) is an emerging field of specialization in a number of professions including Information Science (IS). The different professions are contributing to and influencing the developments in KM in their own ways. However, it is argued here that it is not contributing to the advancement of KM as much as it should for a number of apparent reasons. It aims at contributing towards

achieving a consensus among IS professionals on conceptualization, goals and scope of KM in HR. The recommendations of the paper focus on how the profession could proactively be involved in advancing KM.

Knowledge management (KM) is a burgeoning field of research and practice appealing to both academics and professionals (Bontis and Serenko, 2009). Practitioners work in an environment of rapid environmental change and information overload, which increases the need for knowledge in order to make sense of large quantities of disparate information and data (Malafsky, 2003). Consistent with the changes that take place in practice, scholars focus their research attempts toward identifying and improving KM practices and capitalizing on the IC within an organization. Traditionally, management researchers have created knowledge that mostly appears in peer-reviewed publications. Recently, questions have been raised about the practical relevance of research produced by KM business academics (Andriessen, 2004; Ferguson, 2005). There is a broad consensus among scholars and practitioners alike that maximising the potentials of human resources is central to organisational

effectiveness and performance in the 21st century global market place of intense social Darwinism. It has indeed been suggested that the way in which an organisation manages people can influence its performance. However, the relationship between effective Human Resource Management (HRM) function and organisational performance has remained a vexed issue among scholars, managers and even among HR practitioners. Indeed, there is an ongoing debate on what the HR function really contributes to organisations. The most fundamental issue remains how to understand how HRM practices impact on performance. Consequently, producing an unequivocal response to the question ‘what does HRM really contribute to organisational performance?’ has remained elusive. This article critically evaluates the contemporary HR function, with a view of highlighting its contributions to organisational effectiveness and performance. It argues that there are empirical evidences to suggest that there are clear linkages between effective HR function and organisational effectiveness and improved performance, but the greatest challenge remains how to quantify these contributions. The paper also notes that a lot can still be done to maximise these linkages

and contributions; and concludes that for this to happen (i.e. maximising HR's contributions), HR must critically re-examine its functions and position itself to play a more strategic role in strengthening organisational capabilities and competencies and be proactive in its approach.

HUMAN RESOURCE MANAGEMENT AND KNOWLEDGE MANAGEMENT

The core business of the HR function is to develop the employees in accordance with the business strategy, select and hire people, train and develop the staff, evaluate their performance, reward them and create a culture of learning (Evans, 2003). The next section turns to these issues, and focus upon their role in enhancing KM.

KM AND HRM STRATEGIES

Hansen, et al.(1999) argue that there are basically two strategies for managing knowledge. They term these strategies “codification” and “personalization.” 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. Such organisations invest heavily in ICT for

projects like intranets, data warehousing and data mining, knowledge mapping (identifying where the knowledge is located in the firm) and electronic libraries. 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.” It is thus closely related to exploitative learning, which tends to refine existing capabilities and technologies, forcing through standardisation and routinisation and is risk-averse (Clegg and Clarke, 1999). Personalisation 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. It is based on the logic of “expert economics”, i.e. it is used primarily to solve unique problems, where rich, tacit personal knowledge is needed, such as in strategy consulting. Personalisation and explorative learning are closely related, where explorative learning is associated with complex search, basic

research, innovation, risk-taking and more relaxed controls. The stress is on flexibility, investment in learning and the creation of new capabilities (Clegg and Clarke, 1999).

KNOWLEDGE MANAGEMENT EFFECTIVENESS

The learning process occurred to improve the stock of knowledge available to the organization and to amplify the value of its intellectual assets, such as innovation capital when knowledge is acquired and applied. If an organization demonstrates competence in knowledge management, it can be considered as having a knowledge management-orientation (Darroch & McNaughton, 2002). Knowledge management has been broadly defined from many perspectives. Wiig (1997) viewed as a set of activities that lead an organization in acquiring knowledge both internally and externally. According to Salisbury (2003), knowledge management is defined as the deployment of a comprehensive system that enhances the growth of an organization's knowledge. In an effort to expand the knowledge management discipline, knowledge management can be defined as the management functions that encompass the creation of knowledge, management of the flow of knowledge within the

organization, and usage of knowledge in an effective and efficient manner for the long-term benefit of the organization (Darroch & McNaughton, 2001). Hence, knowledge management effectiveness is regarded as a management discipline which focused on the development and usage of knowledge to support the achievement of strategic business objectives. Knowledge management effectiveness can be analyzed from a process perspective (Gold, Malhotra & Segars, 2001; Zheng, 2005). In general, knowledge management effectiveness can be conceived as the effectiveness of an organization in managing the knowledge acquired, shared and applied by its employees. In summary, knowledge management effectiveness is conceived as a process to enhance knowledge application to achieve organizational innovation for improving business performance. Organizations that effectively manage their knowledge within organization will have higher organization innovation in turn to achieve breakthrough competitive advantage.

REVIEW OF LITERATURE

Hargis, et.al (2011) communicated in their paper "Human resource management

represents the design, development, and implementation of interrelated people management practices that influence how well an organization can attract job applicants, retain motivated and successful employees, and ultimately impact job performance and organizational effectiveness.

Paul Thompson (2011) highlighted in his paper “A case for a political economy approach that situates HR troubles within the constraints of the accumulation regimes of financialized capitalism. Among the outcomes is a strengthening of market discipline rather than commitment as a driver of high performance. While challenging the assumption that HRM is a distinctive mode of managing the employment relationship, it seeks to identify some common grounds for dialogue between mainstream and critical approaches”.

M. D. Singh and Ravishanker et.al (2006) highlighted about the Knowledge Management practices in Indian manufacturing organizations, which are going through a major transition.

Rajesh K Pillania (2008) attempted to study strategic issues in Knowledge Management in Small and Medium

Enterprises in India, with particular reference to the automotive component sector.

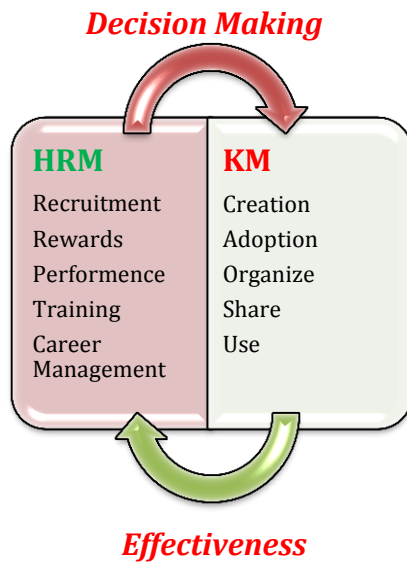
Deepak Chawla, Himanshu Joshi (2010) discussed in their paper about various dimensions of Knowledge Management and how they differ in public and private sector organizations in India. The extent of KM practices was evaluated with respect to dimensions, namely process, leadership, technology, culture and measurement.

OBJECTIVES OF THE STUDY

- To study the relationship between knowledge management and human resource management.
- To study the importance of KM in organizational management

ROLE OF KNOWLEDGE MANAGEMENT IN HRM

Knowledge Management (KM) refers to the processes or tools an organization uses to collect, analyze, store, and distribute its intellectual capital. Here we have discussed the knowledge management and the implication of knowledge management in Human resource management. HRM practices can encourage knowledge sharing and re-use. Here the main characteristics of the two ideal-typical KM strategies adopted



by firms: effective and innovative has been described. More importantly, it also showed that management practices do not operate alone, divorced from the rest of the organization. Practices are, instead, interrelated and require a degree of compatibility and careful co-ordination. The general strategy of a firm and the HRM strategy, therefore, make up the general KM strategy. Knowledge Management influences Human resource Management in a greater way. Today's HRM is KM-centered absolutely. KM and HRM are very much related with each other. Both people and knowledge are to be regarded as having special potential as scarce and idiosyncratic resources. In the training session of the job, KM issues are heavily used to improve the performance of the employees in the organizations. In the job designing process, added KM duties show the job description

precisely of the organizations. In the performance appraisal of employees, productive knowledge sharing can enhance the sharpness of the overall system. It also uses in the pay scale reviews of the employees. HRM and KM responsibilities and duties together also reduce the contradictions of staff in HR-unit. The implications of HRM factors for the management of knowledge are profound. Here such factors are linked with firm's strategy and represent the alignment of employee skills and behavior with the flow of knowledge that is needed in developing innovations. „Codification“ and „personalization“ are the two major strategy of KM that linked people flows and knowledge flows, found by a USA consultancy firms. Here human capital focuses on two important issues-creative jobs and standardized work. So KM has a greater importance in HRM.

CONCLUSIONS:

The present work shows the importance of KM practices in human resource management. With growing competition in the market, business firms are trying to implement and take decisions basing on the knowledge of the managers who play a key asset to the HR unit of the organization. Making right decisions at the right time are

the most important duty of the HR managers. KM is playing an effective role in this decision making process. Without knowledge, HRM will not function properly. The KM will change the face of HRM and find a path towards organizational growth and success.

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