A Connection between Knowledge Management and Human Resource Management

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Abstract: **Opinions of Human Resource Management have changed in advanced economics in the course of time. At the beginning of the 20th century employees were nothing more than one from production factors. Nowadays we talk that humans are subjects of collaboration. There is appearing a new conception of Human Resource Management so-called Intellectual Capital Management. It has a close connection with Knowledge Management. The paper deals just with this connection.**

Key words: **Human Resource Management, Knowledge Management, Intellectual Capital, Organisational Culture, Knowledge Worker.**

I. INTRODUCTION

Nowadays it is more and more adverted to a connection between two scientific disciplines – Knowledge Management and Human Resource Management. Employees are step by step considered to be a resource of future organisational assets. The necessity to invest into intangible assets is mentioned, especially into intellectual capital, thus skills, knowledge, experience, abilities of employees and work teams. In a connection with this, some human resources activities get into the forefront, e.g. employees´ recruitment and stabilizing, their development, moulding of organisational culture, employees´ motivation to knowledge sharing, rewarding of knowledge sharing with others, cultivation of work conditions. Human resource activities that are configured in an appropriate way can support especially spreading and storage of so-called Tacit Knowledge, i.e. some practical know-how which is moulded in people's mind over the course of time on the base of experience and interactions with the setting, in an organisation.

The paper defines both of the basic terms – Human Resource Management and Knowledge Management. It shows the above mentioned connection between them. It focuses especially on how Human Resource Management can support a successful implementation of Knowledge Management.

II. HUMAN RESOURCE MANAGEMENT

Human Resource Management can be defined as a set of particular politics, principles and procedures which follow two aims:

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- The optimal utilisation of abilities and skills of each employee in the organisation.
- The optimal conditions for professional development of each employee in the organisation. (Gregar [9], Dvořáková [6])

Opinions of Human Resource Management passed through some stages in the advanced economics:

So-called administrative conception dominated to 60th years in the 20th century. People were comprehended as one from production factors and personnel management served as a service which provided first of all administrative works, administrative procedures connected with recruitment, with purchasing, storage, and updating of documents and information about employees and their activities.

From the second half of 60th years in the 20th century, so-called social-liberal conception started to appear especially in big organisations with a large line-and-staff organisational structure, with a plenty of stages in the management hierarchy and with a deep distribution of labour. A conclusion appeared that an important function for achievement of prosperity and organisational success has a well-chosen, formed, organised and motivated work collective. Personnel work became professionalised, special departments and sections appeared in the frame of a big personnel department in the headquarters.

So-called managerial conception of personnel management was appeared with the start of 80th years in the 20th century. Personnel management became a part of strategic management of the organisation. It is focused on the quality of work life, employees´ satisfaction, moulding of organisational culture and organisational image as a good employer. The attention is focused also on outside factors of moulding and functioning of labour force, especially on population progress, labour market, people's life values, human way of life, colonisation, environment, legislative etc. Human Resource Management is based on a close collaboration between line managers and personnel department.

Nowadays a new conception is beginning to appear, namely Intellectual Capital Management. We define Intellectual Capital as a sum of knowledge that an organisation has at disposal and its practical using. (Mládková [18])

It is clear from the scientific literature (e.g. Vymětal et al. [23], Armstrong [1], Mládková [18], [15], Katolický [12], Koubek [14]) that organisational Intellectual Capital contains:

- *Knowledge (human, epistemic) capital,* which parts are skills, knowledge, experience and abilities of individual employees as well as organisational teams. That can be used to production of values for customers and so to achievement of profit.
- *Structural (organisational) capital,* which contains documents of industrial legal protection, informative and communication technologies and systems, ways of

knowledge sharing, know-how, data and information contained in data storage and organisational databases, processes that the organisation uses, etc.

- **Related** (customers, relational, social) *capital*, which contains organisational culture, relationships and communication level among co-workers, customers, suppliers and partners, organisational image, relationships with schools and universities, etc. It results from networks inside and outside of the organisation.

In this approach to personnel activities, employees are comprehended as a source of future worth, because they are able to create innovations that differentiate products and services of the given organisation from its competitors and make the organisation unique. Firms invest into intangible assets – human capital development, work competencies development. Especially where personnel activities are connected with employees´ recruitment and development is a close cohesion with Knowledge Management.

III. KNOWLEDGE MANAGEMENT

Knowledge Management is a set of methods and procedures that enable managers to work effectively with knowledge that is at disposal in their organisation. (Mládková [18], p. 11)

Vymětal et al. ([23]) as well as Truneček ([21]) define Knowledge Management as a systematic and organised approach to knowledge production, acquisition, storage, spreading, sharing and active using in the organisation with the aims to create worth, to improve performance and to achieve strategic objectives. According to Whitley ([24]), Knowledge Management system keep best practice, knowledge about varied procedures and operations that proceed in the organisation. It makes knowledge available in the course of day (without a limitation only on work hours) and in the whole organisation (regardless the location of key employees). It deals also with organisational opportunities to keep knowledge in case of employee's leaving from the organisation to a competitor or his/her moving in retirement.

Knapp (according to Carvalho et al. ([3])) claims that organisations may gain some benefits in case of Knowledge Management implementation, e.g. they can:

- cut down losses of Intellectual Capital in case of employee's leaving from the company,
- cut down costs, to optimise standards,
- cut down repetitions of activities based on knowledge,
- increase productivity, because knowledge will be easily and fast available,
- increase employees´ satisfactory (by a provision of higher autonomy and opportunities to personnel development). (Carvalho et al. [3])

Rafaj and Truneček ([19]) include in Knowledge Management benefits e.g.: higher quality and speed of communication, next shortening of time that necessary to solving projects or to layouts, faster distribution, lower costs, higher sales and profit, better services and focus on customers, improving of project management.

IV. COLLABORATION WITH A HR DEPARTMENT

In organisations that comprehended the knowledge value, there is a new position established – so-called Chief Knowledge Officer (CKO). Some personnel activities are connected with this establishment, e.g. a good analyse of this work position (a description of requirements on the worker occupying this position, tasks, competences and responsibility, a description of work conditions etc.), a new employee's recruitment and selection, his/her development and motivation.

Dokoupil ([5]) notices that line managers play an important role in Knowledge Management. Their subordinates´ engagement into Knowledge Management preparation, realisation and function depends just on the line managers. They must show and teach the subordinates how to work with firm intranet, they must lead them and motivate. Next they must teach subordinates to produce knowledge permanently, to spread and share it with the other team members and to use knowledge creatively. (Dokoupil [5]) Just personnel work may be useful in all of this – especially line managers´ motivation to the above mentioned activities and fitting work conditions to such activities.

Suitable Human Resource Management may also help to overcome problems connected with Knowledge Management implementation (e.g. averse to changes, vaguely couched responsibilities) as well as to conduce to its function. Such supportive activities resulted from scientific literature (e.g. Mládková [18], Armstrong [1], Friedel [7], Rafaj aand Truneček [19], Bishop [2], Dokoupil [5], McQueen [16], Truneček [21], Hynek ([11]), Judicibus [12], Sokol [20], Truneček [21], Mládková [18], Collison a Parcel [4], Vymětal et al. [23], McQueen [17]) are the following:

1. **Open culture forming** in which values and norms emphasise the importance of knowledge sharing – an insistence is put on mutual support, cooperation and creativity in such culture. People are engaged and clannish. Relationships are characterised as reciprocal and trustworthy. Atmosphere excites a permanent interest about self-development and accepting changes. It enables people to find out own solutions. This is connected with accepting mistakes as albeit a negative however an unavoidable aspect of human life. Team spirit is developed. Mutual communication, openness, active listening and trust with ethic behaviour are encouraged and strengthened. Changes are accepted as a natural part of life. Sokol ([20]) notices that openness is possible only in case of employees confide in the company and its products, in their superiors as well as in their colleagues.

2. **Support a climate of involvement and trust** – employee's identification with organisational purpose and values which includes among others knowledge sharing. Employees share corporate vision, they are enthusiastic and active actors. To achieve such enthusiasms it is necessary according to Dokoupil ([5]) employees cooperate in a preparation and especially in the realisation of the Knowledge Management project. Employees´ involvement is influenced also with a communication system in the firm, possibilities of workers´ development, opportunities to show initiative and

encouragement to do it, a system of performance management, and a reward system.

The climate of trust means that trust between managers and employees exists. This is a base for trust between individual employees or between groups of individuals. Armstrong ([1]) claims that people trust the management with a higher probability if management activities are honest, righteous, consistent and transparent and if managers keep their words. Handy ([10]) maintains the opinion that trust requires agglutination, personnel contact, unconditional support and forgiveness of mistakes in case of we take some advice from such mistakes.

According to Armstrong ([1]), the development of the climate of trust is facilitated with putting people into situations where they have to work together, with encouragement of interactions (also informal) and netting in order to comprehend that knowledge sharing enables to achieve collective aims. This process may be supported by activities that are conducive to team forming (e.g. outdoor activities).

Trust must have also a support in basic organisational documents as a vision statement, a mission statement and strategies are. Basic symbols, values and rules must be established and a control of its keeping must be guaranteed. (Mládková [18])

3.*Suitable organisation of work* – supporting networks, communities of practice[1], work teams and collaborations between teams from different functional areas. E.g. we can support communities of practice that way we provide a technological background, we establish a worker who will lead the community and will motivate workers to participate in activities of the community. (Mládková [18]) Managers, as Mládková ([18]) states, can help the community e.g. the way they discuss with members of the community their troubles and try to eliminate these troubles and barriers. Managers have an essential role in a connecting of separate communities which are in the organisation. They may help the community to mix in relationships with formal organisational departments. (Mládková [18], p. 139) In connection with work teams, e.g. assistant meeting, i.e. meetings or workshops where people from other organisations or groups are invited to present their experience and knowledge about solving a specific technical or business problem, are welcomed.

4.*Recruitment and stabilisation of knowledge worker* – Human Resource Management may support Knowledge Management processes if it manages to attract and stabilise workers with required skills and abilities and desirable behaviour in the culture of knowledge sharing (Armstrong [1], p. 169), e.g. they are willing to share their knowledge with colleagues, participate in networks, use information technologies to recording, acquisition, searching and spreading knowledge. Such behaviour should be tested in entrance interviews. Perhaps even assessment centre may

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[1] *Communities of practice are informal groups of people who share similar professional or work interests and who meet (maybe only virtually) in order to socialize and change knowledge connected with their work. (Talisayon [21]) Members of a community of practice develop their skills and knowledge each other, discuss efficiency of the used methods, record what they learnt and add this to organisational knowledge assets.*

include practice and tests which check dispositions and abilities of individuals to share knowledge. (Armstrong [1], ú. 169)

A stabilisation of knowledge worker is a matter of providing supportive work environment and motivating these employees by the instrumentality of tangible and intangible rewards. (Armstrong [1], p. 169) In this connection, it is important to manage the process of adaptation of new employees to they integrate into social networks or to cultivate atmosphere which is tolerant to a social differentiation. (Gertler [8]) The organisation may use to keep knowledge of seniors e.g. by:

• a prolongation of active working, a delay in moving in retirement,

• their participation in internal or external solving teams,

• their using as consultants, advisors, opponents. (Vymětal et al. [23], p. 253)

5.*Motivating and rewarding of employees* – to motivate employees to share their knowledge and to reward these who do this. According to Sokol ([20], p. 29), it is necessary to avoid the situation when knowledge workers feel as these who only give and get back nothing. It could lead soon or later into the stage of demotivation and resignation. We can distinguish "hard" and "soft" rewards. We can include between "hard" rewards e.g. organisational stocks and shares, financial rewards, bonuses and career development (its financial part). "Soft" rewards include reputation (image improving), approval from others (e.g. praise), prestige, personnel satisfactory (altruisms), an opportunity to impress others (egotism), data and information access, an opportunity to cooperate with an important (inside or outside) person, reciprocity (an expectancy of similar active behaviour from others), higher competencies and responsibilities, career development (its power part), a provision of suitable work conditions. Mládková ([89], p. 113) warns that an indigested reward system may lead to forming of knowledge monopolies.

6.*Organisational and individual learning* – according to Gertler ([8]) and Judicibus ([12]), well-educated workers are essential to knowledge forming. Organisations should provide enough opportunities to learning and development (e.g. via work rotation, work in projective teams, cooperations in the frame of interaction similar apprenticeship such as mentoring and coaching. Friedel ([7]) points out the necessity to education would be based on a systematic and conceptual approach and would emphasize the transport of learned findings into practice and the sharing of learned findings in the organisation.

7.*Providing opportunities to knowledge sharing* – to organize workshops, conferences (also audio- or video-conferences), seminars and symposiums etc. Just at such social activities members exchange information and ideas, discuss about what they learnt, share so-called best practice, tell stories (in which Tacit Knowledge could be embedded) and agree how to implement gained knowledge. Such meetings could help not only to spread knowledge, but also to develop conditions in which knowledge sharing is accepted as a common and permanent activity. (Armstrong [1])

8.*Cultivation of work conditions*, especially the creation of physical and virtual places in that people can meet and get to know. A place of explicit knowledge changes is often

according to Truneček ([21]) organisational intranet. It is necessary to create special places to Tacit Knowledge changes where employees could have undisturbed discussions (and spread their knowledge in this way spontaneously) – e.g. a coffee automat, a kitchen or a relaxing place.

9. In connection with IT to **develop systems for knowledge acquisition, eventually knowledge codification** – e.g. to implement technologies that connect people in time and in space (groupware, electronic conference, discuss clubs, etc.) and technologies that enable information access, its searching and manipulation. Information technologies (IT) and Human Resource Management must collaborate. IT ensures that knowledge is recorded and accessible via such media as intranet. HRM provides media to Tacit Knowledge acquisition and codification. (Armstrong [1]) Technology may, according to Judicibus ([12]), support knowledge sharing in geographically wide-spread organisations.

10. **Declared support to Knowledge Management and appeal to senior management** – if managers want employees to work with knowledge and to share it, they will have to be an example. The chosen managerial style must support learning and knowledge sharing.

V. CONCLUSION

Human resource activities may support namely an implementation as well as the functionality of knowledge management, e.g. with forming a suitable reward and motivation system, with a provision of well-educated workers and opportunities for mutual meetings of employees. In such case knowledge management manifests itself in the conception of Human Resource Management. Employees are comprehended as a source of future values. Investments into Knowledge Capital are comprehended as essential for a preservation of a competitive advantage. However, a problem with Knowledge Capital is that it is not in an ownership of the organisation, but of employees. So organisations must attract employees with necessary knowledge and skills who in addition are willing to share their knowledge. These who are employed the organisation must keep; eventually it must keep at least their knowledge in case of their leaving to competitors or their moving in retirement.

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