

# KNOWLEDGE MANAGEMENT AS A CHALLENGE FOR HUMAN RESOURCES MANAGEMENT

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## Abstract

With civilization development various resources were considered most important. Today knowledge is considered strategic for both economies and organizations ipso facto its effective management is gaining tremendous meaning. Knowledge is both created and used by people, hence human resources management plays a vital role in knowledge management.

The objective of this paper is to point what challenges human resources management faces within the context of implementing knowledge management in organizations. The essence of knowledge and human resources management has been discussed as well as the connections among the specified areas of organization management have been indicated. It has also been mentioned what actions within the area of human resources management should be taken to create appropriate conditions for knowledge management.

**Key words:** human resources, knowledge management, human resources management.

**Classification JEL:** M12 – Personnel Management

## 1. Introduction

Today, economies are developing under the strong influence of science and knowledge is gaining greater meaning along with innovations based on it. In knowledge-based economy widely understood conditionings of commercial activity (organizational, institutional, social) increase the efficiency of knowledge and innovation absorption, apart from this they improve the competitiveness of the economy and processes of learning and educating of entities is a condition of their survival on the market (Chojnicki, Czyż, 2006, p. 18).

In such an economy the competitiveness of an organization relies mainly on knowledge and employees' experience, hence increasing importance of knowledge management, whose effectiveness depends on the effectiveness of the processes it consists of, that is creating and codifying knowledge, sharing it and using in various activities. Actions taken within the frame of human resources management have significant influence on the effectiveness of knowledge management.

## 2. Knowledge management

Knowledge management is a method of managing a company, which consist in gathering, processing, disseminating and using knowledge to achieve organization goals (Słownik..., 2005, p. 185). With regard to commercial activity and set goals organizations can manage knowledge as a key resource - a source of competition advantage, knowledge management can also be used to improve products or processes (procedures), knowledge management can be a core activity of an organization (universities, consulting firms).

Knowledge management embraces all actions leading to easy access to knowledge for all the members of an organization. Thanks to such actions decision-making process becomes shorter, which gives the possibility of immediate reaction to dynamically changing conditions (Evans, 2007, p. 65).

The growing significance of knowledge management within organizations is determined by *numerous factors*. One of them is the variability of widely understood conditionings around the organization. Since the changes are often unpredictable, it is difficult to determine

what obstacles may occur in the future and what knowledge will be needed to overcome them. Many a time the occurring problems indicate deficiencies in the knowledge and the need of acquiring new knowledge (Figurska, 2007, p. 65).

The meaning of knowledge management in organizations also results from the increasingly quicker rate of knowledge devaluation. Human knowledge, motivation and skills are subject to depreciation and in order to survive in dynamically changing conditions one has to constantly broaden knowledge and skills and put them into practice.

The ability of managing knowledge is strongly connected with the ability of implementing changes and innovations. Innovation is an unconventional knowledge application and simultaneously a source for further changes, which require to obtain new skills (Bochniarz, Gugala, 2005, p. 81).

Appropriate knowledge management **affects the shaping of the human resources quality**. Sharing and disseminating knowledge is particularly vital for the growth of creativity and innovativeness among workers, which is reflected in the actions undertaken by them.

Nowadays knowledge workers, possessing communication tools, don't have to be connected with organization, but can live and work everywhere. They have a great sense of independence, and supervising them is a challenge for human resources management. Knowledge workers:

- possess knowledge resulting from experience and education,
- possess specific abilities,
- are able to use knowledge and abilities,
- present appropriate attitude in the work place and in the process of work (common trust, involvement, creativity, respect towards other people).

Knowledge workers influence the level of common trust, effectiveness of knowledge transfer, quality of knowledge resources in organization, level of innovativeness and degree of using knowledge and innovativeness. They are forced to fulfill functions traditionally realized by managers.

Knowledge management is a **great challenge for managers**. In knowledge based organizations managers (Mikuła, 2005, p. 207):

- don't control people, but work with them,
- don't think themselves, but with people
- take part in solving problems,
- increase autonomy and power of co-workers,
- change corporate culture,
- don't answer, but ask questions,
- don't speak, but coach,
- are in the center, not on the top of organization.

### 3. Human resources management

Knowledge management is a considerably younger field than human resources management, which is an approach to personnel function in organizations characterized by taking strategic perspective, line management involvement, recognizing unique character of human resources, ensuring the growth of the value of the employees by their development, striving for the full involvement of the employees in the realization of tasks (Słownik..., 2005, p. 185). The HRM concept perceives human resources as a company asset and its source of competitiveness.

The aim of human resources management is to provide the company with employees whose qualities, skills and competence meet the needs of the organization and assure accomplishment of its goals.

Human resources can be considered in quantitative (number of employees in an organization) and qualitative aspects, in which such resources are perceived as totality of their characteristics and properties embodied in them, which enable serving different roles within organization (Pocztowski, 2007, p. 33). Knowledge, aptitude, health, attitude, values and employees motivation are one of the most important elements of this resource. Human resource belongs to the employees and it is them who decide ultimately to what extent this resource should be involved while working. It means that the organization has only a limited power over human resources, which it uses in business processes.

A. Lipka has defined HRM within the context of quality as „[...] implementing such actions that would provide optimal quality of HR for the organization. These actions are mostly strategic as it takes long time to build quality” (Lipka, 2005, p. 146). Lipka has included knowledge management along with the following actions: recruitment and de-recruitment policy, investing into employees, motivating, shaping trust, creating loyalty, reallocation of employees and employment restructuring, to such actions that must be coordinated both in terms of time and content.

Knowing people and their knowledge very well and being able to recognize the most significant problems and business processes must be the specificity of HRM function as only through them HRM can create value for the organization (Bochniarz, Gugala, 2005, p. 38).

#### 4. Knowledge management vs. human resources management

It has been mentioned that one of the factors that affects the quality of human resources is knowledge, but it doesn't mean that knowledge management is a subfield of human resources management. It would be an oversimplification to state this since both fields of management complement and partly overlap each other with in the area of their interest.

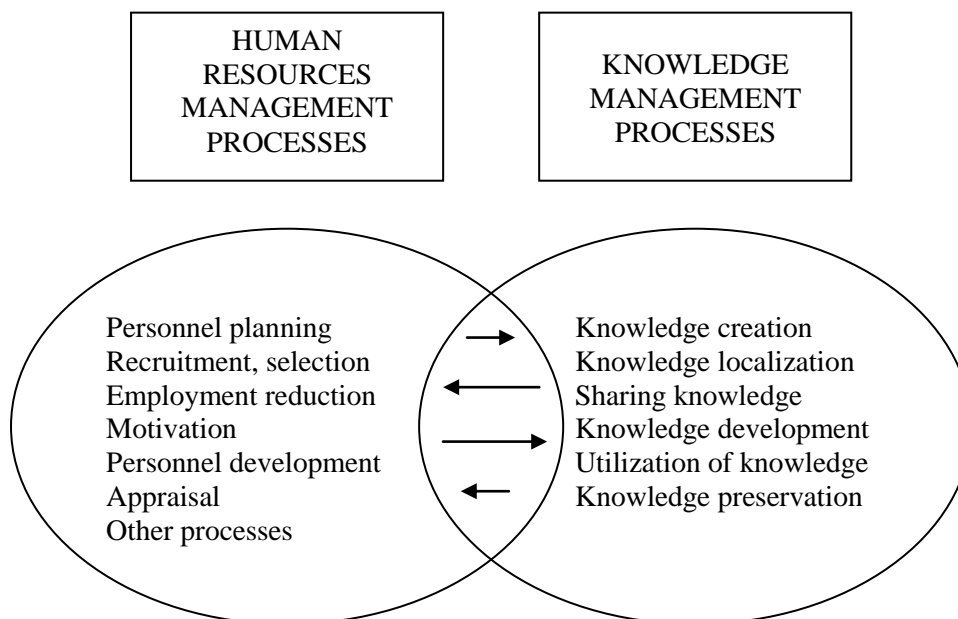


Figure 1: Connections between knowledge management and human resources management

Source: own

There are many **obstacles**, which may hinder or hamper implementation of knowledge management processes and result in decreased effectiveness of these processes. Below the most significant obstacles of knowledge management have been identified (Figurska, 2009, pp. 22 – 24):

- insufficient knowledge resources within an organization,
- lack of benefits connected with the realization of knowledge management processes,
- perceiving knowledge as property or/and as a source of power,
- lack of conditions for the realization of knowledge management processes,
- lack of superiors' support in the realization of processes relating to knowledge management,
- lack of purpose understanding, for which knowledge management serves,
- lack of access to knowledge sources,
- lack of skills at knowledge management,
- lack of knowledge, how to manage knowledge.

Every activity of human resources department, which enable organization to overcome mentioned obstacles will result in increasing effectiveness of knowledge management.

Human resources department both at the stage of situation diagnosis and at the stage of implementing changes and elaborating procedures and standards play an important role in the process of knowledge management, creating at the same time favorable conditions for it (Scenariusze..., 2008, p. 135). Certain knowledge management functions are executed on the basis of personnel function, e.g. acquiring, developing and keeping employees. Knowledge management enables the employees to satisfy many needs, especially the need of self-fulfillment, thus increasing the effectiveness of human resources management.

The increase of knowledge significance led to numerous changes in organizations such as changes of employment forms, limiting employment volume, better flexibility of job market participants, changes of work relations etc. (Scenariusze..., 2008, p. 134). The **significance of a human being** for the organization as well as the approach of the superiors towards the employees, whom the superiors have started to treat not as a cost or a resource of lesser importance than other resources (financial or material), but as resource worth investing into as well as movers of the organization, have undergone substantial changes (Figurska, 2008, p. 8).

The question arises: how to include challenges connected with knowledge management into human resources management?

One of the basic conditions of effective knowledge management is to build knowledge-oriented culture, where personnel services play the key role. It is the human resources department that has all the information about employees at its disposal, which may turn out to be useful in knowledge management. Employees of human resources department and managers should jointly define what the knowledge-oriented culture should be like and how it should be achieved, and then inform the employees using various forms of communication – indirect and direct, formal and informal. In knowledge-oriented organizations workers coordinate their work usually through informal communication.

Within the framework of personnel policy specific principles regarding acceptable and unacceptable attitudes should be provide. The aforementioned principles should be reflected in selecting, motivating and developing employees (Bochniarz, Gugala, 2005, p. 63)

Human resources department is mostly responsible for building relations, training sessions or salaries, it is also perceived as integrator of knowledge within the organization. It is extremely important to encourage cooperation among employees and not internal competition, which requires mutual trust and loyalty from all the members of the

organization. In internal competition oriented companies there is a bigger fluctuation of employee thus greater outflow of knowledge, which affects financial results of an organization and might be connected with the loss of the possibility of gaining competitive advantage.

Building **corporate culture** based on knowledge requires employees' competencies to facilitate attitudes leading to creating and sharing knowledge, that's why these competencies should become one of the selection criteria. While selecting it must be our priority to find the best candidates not only on account of formal criteria (education, work experience) but also from the point of view of knowledge management requirements and processes they consist of. To achieve the aforementioned one must modify methods of checking usefulness of candidates for the organization e.g. analyzing previous achievements regarding knowledge development, participation in team work, experience in passing on knowledge, etc.

Promoting *knowledge-oriented culture* is favorable to introduce employees to work, which is a splendid opportunity to get familiarized with this culture, it is also a great occasion to draw one's attention to acceptable and desired behaviors as well as to those which are not, explain what knowledge management is for participants. Apart from that introducing to work is to get a new worker acquainted with other members of the organization (co-workers, superiors, workers from other departments, etc.) as well as with people from outside the organization (clients, suppliers, strategic partners, etc.). Thanks to all these it easier for a new employee to establish own net of contacts, which makes knowledge flow easier in the future.

Employees should be informed about the company's strategy, objectives and targets. As a result, they can see their contribution to the organization, which enhance their involvement and integration with the organization.

The implementation of knowledge management sets *new requirements for employees* e.g. within the context of required attitudes and behaviors, that's why the knowledge management criteria should be included in the employee assessment system. The following should be assessed: usefulness of employee's knowledge brought to the company, involvement in knowledge development and sharing it with other employees, putting knowledge into practice by an employee etc. As far as employees' knowledge in the organization is concerned it should be assessed using various sources (co-workers, superior, subordinates, customers, suppliers, etc.) since receiving feedback information from many sources uncovers these areas of employee's functioning in the organization which require intensive development.

Knowledge management must be reflected in both salaries and company motivational system. Motivating employees is a constant process in which the managers continuously stimulate and inspire inner motivation and enthusiasm of their subordinates through identifying and implementing such attitudes, tools and measurements, which help to satisfy inner aspirations, goals and workers' needs and thanks to theses stimulate appropriate behavior and efficient work (Blašková, 2003, p. 163).

Using orders and prohibitions towards employees' knowledge doesn't bring expected results, thus other methods for keeping a valuable worker, encouraging knowledge development and sharing it, inducing the worker to fully engage their knowledge and skills for the realization of organization goals must be found. Thus **motivational system** should be diversified and adjusted to the roles played by the employees in the organization. With reference to workers, who are particularly expected to be creative (e.g. engineers, scientists etc.) it is suggested to expand motivational system with such elements:

- participation in the organization profit or profit-related bonuses,
- extended social benefits,
- flextime,

- choice of their own work place,
- providing author's name while presenting achievements,
- autonomy of workers in their activities,
- opportunities to present suggestions concerning organization's procedures, processes, methods of work, etc.,
- extra free time for improving qualifications,
- periodic rewards for the achievements in the field of knowledge development,
- greater participation of employees in decision-making process.

It is difficult to predict what changes will occur in the future in widely understood conditionings, what they will mean for the organization and what challenges will all the members of the organization face. That is why knowledge management requires intensive actions within the field of professional training and knowledge development, which may be defined as process during which the employee's knowledge, that is skills and learning both theoretically and practically become deeper and wider, thanks to which the employee may fulfill the requirements set by widely understood conditioning and solve the emerging problems effectively. Knowledge development occurs only when the learner mastered the ability of functioning on a higher level permanently (Figurska, 2007, pp. 65 – 66).

Assuring the development of **employees' potential** is a necessary condition for both effective knowledge management and human resources management. It is worth taking into consideration that there are different methods of knowledge development and different employees' preferences in this respect. In knowledge management it is important to develop knowledge of strategic importance from the perspective of company's competitiveness, thus while planning trainings personnel services should cooperate with both line managers and employees. The employees that have received specialist training should have the possibility of sharing their knowledge with coworkers.

Development of staff knowledge is necessary for innovation activity and for adopting external knowledge. Innovative activity are influenced by a wide range of factors, for example by qualifications and skills acquired in the workplace, higher quality of work organization and working environment, a larger participation of employees in making decisions.

To enable employees' development it is necessary to create an environment favoring learning, with time for reflection and analysis, where the exchange of ideas and experience is aroused. The role of an organization is to create conditions favoring permanent learning both at work and outside as well as stimulating the employees to develop the skill of learning and problem solving. Organization may support its employees' learning process by specific motivational actions (e.g. connecting payment system with innovative achievements of the employees), advisory actions connected with directing employees' developmental activity as well as actions connected with personnel training (Andrzejczak, 2004, pp. 181 – 183).

Managers should consciously shape the process of their staff development to benefit from engaging their potential in the achievement of the organization's objectives. They should shape staff development in a desired way, taking into consideration organization's aims and individual expectations. It requires awareness of the relevance and appropriate management of such factors as staff development policy, organizational culture or motivational system. The knowledge acquired or extended by employees in the development process can be a source of improvements (new, original ideas or solutions), which can significantly contribute to winning competitive advantage.

Carefully planned development is a great opportunity for employees to acquire new skills thus their value for their employer and attractiveness in the potential labor market increases.

Staff development, acquiring new skills and transforming knowledge of individuals into knowledge of the entire organization have become the major concern of both human resources management and knowledge management.

The next area of human resources management, also connected with knowledge management, is **planning and developing career** of the employees. It requires on employees part extending their knowledge and skills constantly as it has been mentioned earlier in this paper, knowledge becomes outdated quickly that is why there is a necessity of different approach to planning career paths.

An important task for personnel services is to teach the workers not to look at themselves from the perspective of the current position but from the perspective of possessed qualifications, knowledge, predispositions, previous achievements and future possibilities. Careers are increasingly perceived by what the employee can do and not by where they work. The identification of the employee with their professional environment is increasing, unlike their identification with specific organization, which is on the decrease.

Within knowledge management it is beneficial to enable the employees to relocate within the organization, which on one hand prevents their professional burnout and on the other hand enhances sharing knowledge (Evans, 2005, p. 182). The superiors and their get-to-the point ability of talking to subordinates about their career plans play a vital role.

One of the problems that the organization faces is the *possibility of losing key employees and their knowledge*. To avoid such situations one should attempt at assessing which employees have knowledge of strategic importance needed to maintain competitive advantage of the organization. It would be very severe to lose such employees from the perspective of knowledge management and its processes, including the development of knowledge, sharing or putting it into practice. Having conducted such assessments it is worth considering what actions should be taken to keep such employees and when it is impossible to keep them what should be done not to lose his knowledge. It is highly advised to know their reasons for leaving the organization to avoid such situations in the future.

## 5. Conclusion

Knowledge, skills, competences and innovativeness of the employees as well as their goals, values and attitudes all affect the competitiveness of an organization. It is the role of the organization to bring out, create and use these resources. It enables appropriate human resources and knowledge management which must become an inseparable element of everyday operation of an organization.

The employee of an organization functioning in knowledge based economy should possess appropriate knowledge and skills as well as willingness to use this knowledge in various activities. Human resources department and actions taken within the framework of human resources management, which create conditions enabling knowledge management, play an important role.

In an organization functioning in knowledge-based economy it is important to intercept and understand well the connections between knowledge management and other elements of organization environment such as motivational system, corporate culture or internal communication. It is necessary to build extra criteria, which would stimulate the employee to develop their knowledge, document it, share it and apply it, into motivational system.

Actions taken by the human resources department, which aim at supporting knowledge management, include the following:

- employing people with tremendous knowledge and potential,
- cooperation with training centers,

- utilizing trained personnel to organize internal training sessions,
- creation an environment favoring learning,
- organizing conferences and seminars,
- building knowledge-oriented culture,
- building motivational system, which encourage employee to share knowledge and use it in practice,
- promoting of common work,
- building appropriate employee assessment system,
- planning and developing career of the employees,
- encouraging managers to active participation in knowledge management, etc.

Literature shows a significant connection between the quality of personnel procedures and the level of knowledge management (Scenariusze..., 2008, p. 136).

It appears, that the state of both management fields: human resources management and knowledge management create sufficient basis for mutual transfer of theoretical achievements and best practice taking into consideration the peculiarity of each of them.

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