

## Impact of Knowledge Management in e-HRM Practices

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**Abstract:** Knowledge management presents HRM with the opportunity to become pivotal to the strategic management of the organization and a catalyst for knowledge creation and building value. This involves more than just re-labeling Human Resources - it is a fundamental paradigmatic shift for HRM and senior management. The best **hr practices** are always concentrated on knowledge management. In recent years, Knowledge Management has emerged as one of the prime concerns of human resource Management (HRM) system. Knowledge Management is creation, distribution and utilization of knowledge at the individual group and Organizational level for the benefits of people improved and affected by it. This paper express Emerging trends in Knowledge Management faced by HR area.

**Keywords:** HR department, Tacit Knowledge, Explicit Knowledge, Knowledge Economy

### Introduction

It is widely known that Knowledge Management (KM) as a discipline and a tool is meant to provide an integrated way to identify, capture, reshape, and share, the organization's information assets so as to create faster response time for seekers in the organization. It is often a debatable question if KM should be a separate department by itself handling the various aspects of KM or should it be integrated with an already established department. This brings me to the Human Resource (HR) department. KM is all about people and the culture of sharing and not just the tools employed. Hence from my perspective, the HR department has a very crucial and vital role to play in not just its formation but also in giving KM its shape.

In many large organizations the HR department is in itself divided into smaller units looking at various components within the company like policy making, recruitment, corporate communication & entertainment, etc. However, given that the policies created will go a long way in shaping the attitude of its employees, KM, and its policies need to be integrated and also worked along these lines. So what exactly can HR Management (HRM) do for KM? There are a few Basic Criteria that should be followed by HRM when implementing KM. HRM can and must help with articulating the main purpose of knowledge management. Since HR deals with people, knows the workings of the organization, the vision of its Board/Trustees, it is in a strategic position to understand how KM can be employed for the benefit of its employees and the organization as a whole.

Along with the vision, HRM should and must align KM along the organization's mission, and, policies. The main purpose being, is to create an atmosphere of sharing and using knowledge to its optimum to begin with, at least. The most crucial purpose is to transfer tacit knowledge into explicit knowledge. This can be done through its traditional training methods via building employee personality and career skills and competencies, through workshops, through fun and entertainment, through internal social networking sites and mailing lists via the intranet. It has to employ not just tools, but, the human capital to energize the company towards the change that it must bring. And change it must!

Initiate culture change and Learning initiatives: HRM can help facilitate this through a series of event related initiatives and talent fairs and interactive e-learning modules with mentorship, within the organization thus involving all levels of employees from across projects and the organization. HRM has to be the enabler for behavioral change for KM to succeed. HRM itself has to undergo some change in its use of technology – it needs to be at the forefront in understanding what technological tool/s are appropriate for the sharing of knowledge, moving it from internal email niches to wider discussion forums on the intranet. HRM has to be the catalyst for culture change to be effected – connecting the traditional to the new methods, that is appropriate with the Next-Gen, to leverage the collective knowledge in an atmosphere of “openness” with a competitive edge.

KM by itself cannot survive in a vacuum. It involves people and communication, employee favoring policies, updated technologies, and, above all, a change in the culture of an organization, without

which the organization's transformation into a knowledge driven company cannot be achieved.

### **Need for Knowledge Management:**

Why do we need to manage knowledge? Ann Macintosh of the Artificial Intelligence Applications Institute has identifies some of the specific business factors, including:

- Marketplaces are increasingly competitive and the rate of innovation is rising.
- Reductions in staffing create a need to replace informal knowledge with formal methods.
- Competitive pressures reduce the size of the work force that holds valuable business knowledge.
- The amount of time available to experience and acquire knowledge has diminished.
- Early retirements and increasing mobility of the work force lead to loss of knowledge.
- There is a need to manage increasing complexity as small operating companies are trans-national sourcing operations.
- Changes in strategic direction may result in the loss of knowledge in a specific area.

In brief, knowledge and information have become the medium in which business problems occur. As a result, managing knowledge represents the primary opportunity for achieving substantial savings, significant improvements in human performance, and competitive advantage. It's not just a Fortune 500 business problem. Small companies need formal approaches to knowledge management even more, because they don't have the market leverage, inertia, and resources that big companies do. They have to be

much more flexible, more responsive, and more "right" (make better decisions) — because even small mistakes can be fatal to them.

### Approaches to Knowledge Management:

The term "knowledge management" is now in widespread use, having appeared in the titles of many new books about knowledge management as a business strategy, as well as in articles in many business publications, including *The Wall Street Journal*. There are, of course, many ways to slice up the multi-faceted world of knowledge management.

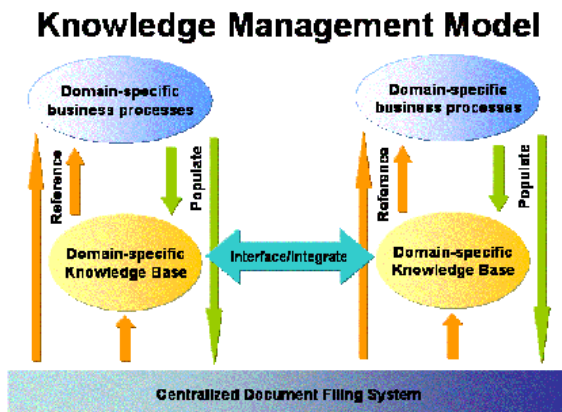


Fig. 1: Model of Knowledge Management

In this model, the KM system is intended to provide infrastructure support for knowledge intensive processes of the organization shown in figure -1. The emphasis here is on knowledge performance and getting results rather than the more traditional emphasis on contents management, knowledge sharing or information access.

Mechanistic approaches to knowledge management

Mechanistic approaches to knowledge management are characterized by the application of technology

and resources to do more of the same better. The main assumptions of the mechanistic approach include:

- Better accessibility to information is a key, including enhanced methods of access and reuse of documents (hypertext linking, databases, full-text search, etc.)
- Networking technology in general (especially intranets), and groupware in particular, will be key solutions.
- In general, technology and sheer volume of information will make it work.

Cultural / behavioristic approaches to knowledge management

Cultural/behavioristic approaches, with substantial roots in process re-engineering and change management, tend to view the "knowledge problem" as a management issue. Technology though ultimately essential for managing explicit knowledge resources — is not the solution. These approaches tend to focus more on innovation and creativity (the "learning organization") than on leveraging existing explicit resources or making working knowledge explicit. Assumptions of cultural/behavioristic approaches often include:

- Organizational behaviors and culture need to be changed ... dramatically. In our information-intensive environments, organizations become dysfunctional relative to business objectives.
- Organizational behaviors and culture can be changed, but traditional technology and methods of attempting to solve the "knowledge problem" have reached their

limits of effectiveness. A "holistic" view is required. Theories of behavior of large-scale systems are often invoked.

- It's the processes that matter, not the technology.
- Nothing happens or changes unless a manager makes it happen.

Systematic approaches to knowledge management

Systematic approaches to knowledge management retain the traditional faith in rational analysis of the knowledge problem: the problem can be solved, but new thinking of many kinds is required. Some basic assumptions:

- It's sustainable results that matter, not the processes or technology ... or your definition of "knowledge."
- A resource cannot be managed unless it is modeled, and many aspects of the organization's knowledge can be modeled as an explicit resource.
- Solutions can be found in a variety of disciplines and technologies, and traditional methods of analysis can be used to re-examine the nature of knowledge work and to solve the knowledge problem.
- Cultural issues are important, but they too must be evaluated systematically. Employees may or may not have to be "changed," but policies and work practices must certainly be changed, and technology can be applied successfully to business knowledge problems themselves.
- Knowledge management has an important management component, but it is not an

activity or discipline that belongs exclusively to managers.

### **Business Activities related to Knowledge Management**

- *Management of Information Systems (MIS) or Information Technology and Information Management (IT/IM)* — Knowledge management emerged in part out of IT management as it became clear that access to information and data was insufficient to provide enough insight to support decision-making. Recently, major software companies (e.g., Microsoft) have also decided to offer KM services to help integrate technology into the workplace.
- *Human Resource Management* — It is said that the 1980s fixation with "business process re-engineering" had emphasized cost-cutting without appreciating the value of people. It became clear that people were not costs, they were in fact assets because of their knowledge and experience. Within human resource management circles, knowledge management grew as a way of demonstrating, in a more systematic way, the value of people to business processes.
- *Change Management* — As regular or continuous change became a feature of organizational life, it was recognized that successful change needed to be managed. Since organizational change tends to involve the orchestration of people, technology and resources, knowledge management was considered a key method of tying these threads together.

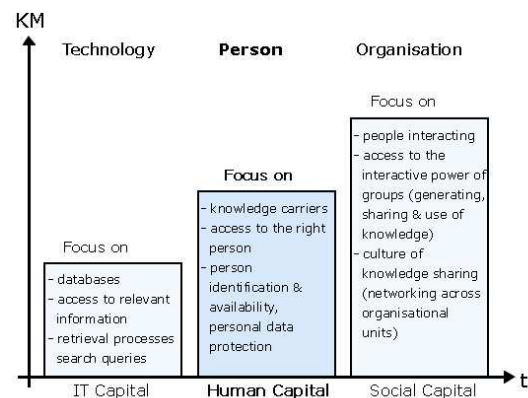
- *Project and Team Management* — As organizations began to rely on short-term projects, serial short-term contracts, and use of teams, it became necessary to provide appropriate support — and capture the resulting knowledge.
- *Corporate Intelligence and Research & Development* — In an organization there are also several areas specifically devoted to acquiring and creating useful knowledge, such as technology research centres, intelligence gathering operations, corporate research and training facilities, and libraries.

### Knowledge Management in the Technological Era:

The traditional paradigm of information systems is based on seeking a consensual interpretation of information based on socially dictated norms or the mandate of the company bosses. This has resulted in the confusion between 'knowledge' and 'information'. However, knowledge and information are distinct entities!! While information generated by the computer systems is not a very rich carrier of human interpretation for potential action, 'knowledge' resides in the user's subjective context of action based on that information. Hence, it may not be incorrect to state that knowledge resides in the user and not in the collection of information, a point made two decades ago by West Churchman, the leading thinker on information systems.

Karl Erik Sveiby, the author of *The New Organizational Wealth: Managing and Measuring Knowledge-Based Assets*, contends that the confusion between 'knowledge' and 'information' has caused managers to sink billions of dollars in technology

ventures that have yielded marginal results. He asserts that the business managers need to realize that unlike information, knowledge is embedded in people... and knowledge creation occurs in the process of social interaction. On a similar note, Ikujiro Nonaka, the renowned Professor of Knowledge, has emphasized that only human beings can take the central role in knowledge creation. He argues that computers are merely tools, however great their information-processing capabilities may be. A very recent *Harvard Business Review* special issue on Knowledge Management seems to lend credence to this point of view. This issue highlighted the need for constructive conflict in organizations that aspire to be leaders in innovation and creation of new knowledge.



**Fig. 2: Knowledge Management Focus**

The 'wicked environment' of the new world of business imposes the need for variety and complexity of interpretations of information outputs generated by computer systems. Such variety is necessary for deciphering the multiple world views of the uncertain and unpredictable future. As underscored by the strategy guru Gary Hamel at the recent *Academy of Management* meeting address, non-linear change imposes upon organizations the need for devising

non-linear strategies. Such strategies cannot be 'predicted' based on a static picture of information residing in the company's databases. Rather, such strategies will depend upon developing interpretive flexibility by understanding multiple views of the future. In this perspective, the objective of business strategy is not to indulge in long-term planning of the future. Rather, the emphasis is on understanding the various world views of future using techniques such as scenario-planning.

Knowledge management draws from a wide range of disciplines and technologies. Expert systems, artificial intelligence and knowledge base management systems (KBMS) related technologies have acquired an undeserved reputation of having failed to meet their own — and the marketplace's — high expectations. In fact, these technologies continue to be applied widely, and the lessons practitioners have learned are directly applicable to knowledge management. Computer-supported collaborative work (groupware) in Europe, *knowledge management* is almost synonymous with *groupware* ... and therefore with Lotus Notes. Sharing and collaboration are clearly vital to organizational knowledge management — with or without supporting technology.

### HRM Practices in the Knowledge Economy

The nature and characteristics of work in the knowledge economy herald new opportunities for HRM. To maximize benefit from knowledge assets, a fourfold contribution from HRM is proposed. In the knowledge economy, HRM must Provide expertise in understanding and defining firm-level strategic knowledge capabilities. And it develops and manages knowledge workers by leveraging the knowing-

learning-doing nexus. Also build knowledge value as an organizational as well as an individual asset; and Minimize the organization's knowledge risk associated with loss of requisite capability and knowledge.



Fig. 3: HR Practices in the Knowledge Economy

Knowledge creation, use, sharing and retention have always been important. What is new is the significant shift towards a systematic and strategic approach to managing the primary assets of the knowledge economy: people, knowledge processes, and knowledge products. Globally, knowledge has become the most important factor in economic development and knowledge assets are considered essential for economic growth, competitive advantage, human development and quality of human life. The idea that people and the knowledge they possess is the organization's most valuable asset is not new. The shift in the terminology from over 20 years ago from 'Personnel Management' to 'Human Resources Management' signaled what some claimed was a metamorphosis for the profession.

Knowledge management presents HRM with the opportunity to become pivotal to the strategic management of the organization and a catalyst for knowledge creation and building value. This involves more than just relabeling Human Resources - it is a fundamental paradigmatic shift for HRM and senior management. The transformation begins with viewing HRM through a 'knowledge lens' and repositioning the functions in relation to strategic knowledge capabilities. Managing knowledge workers, building value from knowledge, and assessing knowledge risk are also new requirements of HRM in the knowledge economy. We propose that HRM must respond to the key challenges presented by the knowledge economy and command a central position in realizing value from knowledge assets as a strategic role for HRM.

#### **Conclusion:**

Knowledge management has emerged as a growing field of practice and research in response to the recognition that knowledge is a potent force in the economy, and for competitive advantage. The concept of knowledge itself, however, remains vague and unsatisfactory, a situation that may well hinder the development of knowledge management theory and practice. Knowledge itself cannot be managed, only the conditions of its use-in-action, which necessarily centers on people. Knowledge management practice, if it is to remain distinct from information management, which also focused on knowledge representations, must give pride of place to the management of people.

Knowledge Management (KM) is typically define to be the holistic combination of measures for managing people, processes, and technology, the explicit

integration of Human Resource Management into KM initiatives is seldom examined. In the course of prevailing trends like globalization, customer orientation and specialization, most of the companies place emphasis on recruitment, sustainment and evolution of qualified employees. Electronic Human Resource Management (eHRM) is a web based tool to automate and support HR process. The implementation of eHRM is n opportunity to delegate the data entry to the employees. eHRM facilitates the usage of HR marketplaces and offers more self service to the employees.

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