Knowledge Management and Its Implications on Human Resource Management for Organizational Effectiveness in Nigeria

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Abstract

Knowledge is increasingly viewed as a critical organizational resource which provides competitive advantage. As the speed of change gets faster, organizations in Nigeria increasingly need innovations, new ideas and new ways of doing things to keep ahead of the competition, and they constantly need to know what their competitors and customers are doing. Increasing organizational knowledge is seen to underpin this. In addition, knowledge-based organizations, such as consultancies and finance companies, are growing. The growth of knowledge work and the increasing number of knowledge workers has been well reported. Examples of knowledge workers would be research and development staff, legal, IT, accounting and other professionals. But, although the prevalence of knowledge work still accounts for only a minority of workers in the Nigerian organizations, it would be a mistake to see knowledge as relevant just to such a narrow range of staff. We take the view that knowledge is important for everyone in the Nigerian organizations. This work focused on knowledge management and its
implication on human resource management. The study was based on literature review to gather the necessary information for the research. The study revealed that knowledge management is concerned with storing, and sharing the wisdom, understanding and expertise accumulated in an organization about its processes, techniques and operations. The work recommended that knowledge management should be based on getting knowledge from those who have it to those who need it in order to improve organizational effectiveness.

Key Words: Knowledge, Management, Human, Resource, Organization, Effectiveness, Growth.

Introduction
Providing a definition of knowledge is surprisingly difficult, and there are many different perspective in the literature (Tsoukas and Vladimirou, 2001). At a simple level we can say that data are raw facts, that analysis and contextualization of raw data so that they become something meaningful, produce information, and that knowledge is more than information in that it has been reflected on and processed to the extent that it can be applied and is with the person who needs to apply it. Explicit knowledge, sometimes referred to as operational knowledge, or “know what” type of knowledge, can be codified and stored for others to access. Examples here might be competitors’ price changes, new competitor products, customer buying patterns and changes in employment legislation. Thus, knowledge management can be described as what people understand about things, concepts, ideas, theories, procedures, practices and the way we do things around. It can be viewed as “know-how” or, when it is specific, expertise. A distinction was made by Ryle (1949) between “knowing how” and “know that”, knowing how is the ability of a person to perform tasks, and knowing that is holding pieces of knowledge in one’s mind. Blacker (1999) observed that, rather than regarding knowledge as something that people have, it is suggested that knowing is better regarded as something that they do.
In the real sense, knowledge management is concerned with storing and sharing the wisdom, understanding and expertise accumulated in an organization about its processes, techniques and operations. It involves transforming knowledge resources by identifying relevant information and then disseminating it so that learning can take place. Knowledge management strategies promote the sharing of knowledge by linking people with people and by linking them to information so that they learn from documented experiences.

Knowledge management was defined by Scarborough, Swan and Preston (1999) as any “process or practice of creating, acquiring, capturing, sharing and using knowledge, wherever it resides, to enhance learning and performance in organizations”. They suggested that it focuses on the development of firm-specific knowledge and skills that are the result of organizational learning processes. Knowledge management is concerned with both stocks and flows of knowledge. Stocks include expertise and encoded knowledge in computer systems. Flows represent the ways in which knowledge is transferred from people to people or from people to a knowledge database. Knowledge has also been defined by Tan (2000) as “the process of systematically and actively managing and leveraging the stores of knowledge in an organization”. Most knowledge is more complex than this, it is something which resides in person’s head and we are often unaware of what we know until we come to use it”. This is usually referred to as tacit knowledge, or “know how” type knowledge. This is made up of our accumulated experiences about how things are done, how problems can be solved, what works, what does not and in what contexts and under what conditions. Knowledge in itself is not enough as it has to be accessed, applied appropriately and used to enhance the organization’s ability to achieve its objectives. Thus, for knowledge to be of value it needs to be turned into action. Nonaka (1991) suggested that knowledge is held either by individuals or collectively. In Blackler (1995) terms, embodied or embraced knowledge is individual and embedded, and cultural knowledge
is collective. It can be argued according to Scarborough and Carter (2000), that knowledge emerges from the collective experience of work and is shared between members of a particular group or community.

Thus, knowledge is possessed by organizations and people in organizations. Organizational operational, technical and procedural knowledge can be stored in databanks and found in reports, libraries, policy documents, manuals, and presentations. It can also be moved around the organization through information systems and by meetings, workshops, courses, “master classes”, written publications and communities of practice, defined by Wenger and Snyder (2000) “as groups of people informally bound together by shared expertise and a passion for joint enterprise”. The intranet provides an additional and very effective medium.

People in organizations have knowledge acquired through their own experiences at work that will not necessarily be shared formally or even informally with their colleagues. This knowledge may be crucial to the interests of the business and could be lost if it remains locked up in the minds of employees, or taken elsewhere by them if they leave the organization. If this knowledge is important, one of the key issues in knowledge management is how it can be identified and disseminated. Given this, it is not surprising that attention has been focused on how to generate knowledge, how to share knowledge and how to reuse it, in other words knowledge management.

**Managing Knowledge**
Knowledge management has been variously defined and the term is ambiguous. Scarborough and Swan (2001) definition broadly and inclusively cover a loosely connected set of ideas, tools and practices centering on the communication exploitation of knowledge in organizations. Our understanding of what knowledge is, will have
implications for the way we try to manage it. Early approaches to knowledge management focused on IT systems as a means of codifying an individual’s knowledge, storing it and making it available to others in the organization. This somewhat simplistic approach was based on the concept the knowledge is an abstract objective truth which can be easily recorded and manipulated, separately from the person who created the knowledge. The resultant activity led to a proliferation of organizational databases, search programmes, yellow pages type directories, intranets. An example of an extranet is provided by Hunter, Beaumont and Lee (2002) in the context of a legal firm which offered professional knowledge in this format to value clients as part of the service that they paid for. While this may be useful for the explicit knowledge referred to above, and is the focus of much research work in the area, it has very limited value.

Therefore, this perspective suggests that codifying knowledge and using IT systems to store and share it is inadequate. Instead attention needs to be focused on communities of interest, in other words the way in which individuals with a common interest network to share knowledge and spark off new ideas. Second focus is on the way that knowledge becomes embedded into systems, processes and culture within the organization. This perspective requires that individuals need to be willing to share their knowledge and since knowledge is power, there can be no assumptions that individuals will comply. To this end encouraging and perhaps facilitating various types of networking would be more appropriate. Trust in the organization is critical here as sharing knowledge may involve admitting to failures and what has been learned from them and giving bad news. Project write-ups and reports may also be used in trying to make tacit knowledge explicit, especially when individuals holding the knowledge may leave the organization. An example of this is a Department Head in a university who was aware that a valued member of staff teaching a very specialist area was about to retire and instigated a project to document their
teaching content and methods so that their particular knowledge would not be lost to the university.

Kermally (2002) has identified a range of knowledge management initiatives, based on Nonaka and Takeuchi (1995) model of how organizational knowledge can be created. He suggested that to develop knowledge through socialization activities such as brainstorming, informal meetings, conversations, coaching, mentoring, interacting with customers, on-the-job training and observation may be helpful, to develop knowledge through externalization, databases, exchange of best practices, building models, after-action reviews and master classes would be helpful, for a combined approach, conferences, publications, and electronic libraries are suggested, and for knowledge internalization, feedback from customers, facilitation skills and development counselling would be helpful.

The barriers to knowledge have been variously identified as the culture of the organization, the risk of admitting to failure, lack of incentive to change, resistance to ideas and learning from other contexts, internal competition and individual reward practices. Factors identified as encouraging knowledge management are an organization which engenders trust and openness, a knowledge-centric culture, defined roles and responsibilities in knowledge management, support through the performance management system such as targets about sharing knowledge and team/organizational rewards, building on informal practices which already exist.

It has been suggested that organizations need to make all their knowledge management activities explicit in order to justify the investment made and demonstrate the organization’s commitment to knowledge.
Knowledge Management and Its Implications on Human Resource Management

MacNeil (2003) have suggested that there has been a lack of research on the links between human resource management and knowledge management, yet Lengnick-Hall and Lengnick-Hall (2003) suggested that knowledge facilitator is a key human resource role. Human resource has a key role in developing the motivation, competencies, value orientation, and knowledge of the firm’s strategic intent to use knowledge to enhance organizational capabilities.

In more detail they recommend that human resource managers need to design organizational structures and processes that promote knowledge diffusion, contribute to designing user-friendly systems for accessing knowledge and training people in their use, develop a knowledge-centric culture, provide mechanisms for people to share knowledge together and then move people around the organization to cross-fertilize. Scarborough and Carter (2000) asked their sample of researchers in the knowledge management area what implications their work had for “Human Resource Management”, and found:

- 27 percent claimed there were implications for recruitment and selection policy;
- 63 percent claimed there were implications for training and development in the workplace;
- 27 percent claimed there were implications for rewards and appraisal;
- 77 percent claimed there were implications for organizational and cultural change policy and practice;

At a strategic level Scarborough and Carter (2000) identified five different perspectives in the work on knowledge management and draw out the implications that each has for Human Resource Management. These are:
1. **Best Practice Perspective:** Encouraging employees to share knowledge and cooperate with knowledge management initiatives.

2. **Knowledge Work Perspective:** Managing knowledge work and knowledge workers. Such workers may have distinctive needs in terms of motivation, job challenge, autonomy, careers and so on. These will need to be addressed by human resource policies (Beamont and Hunter, 2002).

3. **Congruence Perspective:** Increasing performance by aligning human resource management and knowledge management practices.

4. **Human and Social Capital Perspective:** This involves the development of human and social resources in the organization. This both underpins the success of knowledge management initiatives and mobilizes longer-term capabilities. This perspective is based on the resource-based view of the firm.

5. **Learning Perspective:** This perspective incorporates two different approaches. First, is the notion of communities of learning, which draws attention to the way tacit knowledge is developed and shared in practitioner groups. Second, there is organizational learning which focuses on how learning can be embedded in organizational routines and processes to improve organizational performance.

**Knowledge Management Strategies**

Two approaches to knowledge management strategy have been identified by Hansen, Nohria and Tierney (1999): the codification strategy and the personalization strategy.
**Codification Strategy:** Knowledge is carefully codified and stored in databases where it can be accessed and used easily by anyone in the organization. Knowledge is explicit and codified using a people-to-document approach. This strategy is therefore document-driven. Knowledge is extracted from the person who developed it, made independent of that person and reused for various purposes.

**Personalization Strategy:** Knowledge is closely tied to the person who has developed it and is shared mainly through direct person-to-person contacts. This is a person-to-approach that involves, ensuring that tacit knowledge is passed on. The exchange is achieved by creating networks and encouraging face-to-face communication between individuals and teams by means of informal conferences, workshops, communities of practice, brainstorming and non-to-one sessions.

**Knowledge Management Issues**
The issues that need to be addressed in developing knowledge processes are:

**Pace of Change:** One of the main issues in knowledge management is how to keep up with the pace of change and identify what knowledge needs to be captured and shared.

**Relating Knowledge Management Strategy to Business Strategy:** As Hansen, Nohria and Tierney (1999) demonstrated that it is not knowledge per se but the way it is applied to strategic objectives that is the critical ingredient in competitiveness. They suggested that competitive strategy must drive knowledge management strategy and that management have to answer the question: “How does knowledge that resides in the company add value for customers”.

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Technology and People: Technology may be central to companies adopting a codification strategy, but those following a personalization strategy IT is best used in a supportive role. Scarborough, Swan and Preston (1999) suggested that technology should be viewed more as a means of communication and less as a means of storing knowledge. Knowledge management is more about people than technology. Research by Davenport (1996) established that managers get two-third of their information from face-to-face or telephone conversations.

Significance Process: Blackler (1995) emphasized that a preoccupation with technology may mean that too little attention is paid to the processes such as social, technological and organizational, through which knowledge combines and interacts in different ways. The key processes are the interactions between people. This is the social capital of an organization, i.e. the network of relationships that constitute a valuable resource for the conduct of social affairs (Nahpier and Ghoshal, 1998). Social networks can be particularly important in ensuring that knowledge is shared. Trust is also required, i.e. people are not willing to share knowledge with those they do not trust.

The culture of the company may inhibit knowledge sharing. The norm may be for people to keep knowledge to themselves as much as they can because “knowledge is power”. An open culture will encourage people to share their ideas and knowledge.

Knowledge Workers: Knowledge workers, as defined by Drucker (1993), are individuals who have high levels of education and specialists skills combined with the ability to apply these skills to identify and solve problems. As Argris (1991) commented, they are, “The nuts and bolts of management, that increasingly consist of guiding and integrating the autonomous but interconnected work of highly skilled people. Knowledge
management is about the management and motivation of knowledge workers who create knowledge and will be the key players in sharing it.

**Organizational Roles in Knowledge Management**

Evans (2003) avers that there is still much confusion, about the responsibility for and accountabilities in knowledge management, and Lank (2002) suggests three new organizational roles intended to promote knowledge management:

**Knowledge Architects:** Lanke (2002) demonstrated that these are senior, strategic roles such as Chief Knowledge Officer and involve, among other things, working out which knowledge is critical and how it will be shared, how technology could be used, how people will be trained, how they will be rewarded for collaborative working.

**Knowledge Facilitators:** These are the people who run processes to help knowledge flow, for example company journalists who write up customer case studies and project reviews; librarians who develop indexes for storage and retrieval of information; information service providers who provide an internal consultancy service to find and deliver information to staff which include external and internal information; webmasters who develop the company intranet; and learning facilitators who can facilitate post-event reviews to elicit lessons learned.

**Knowledge Aware:** These include all employees, who have a responsibility to share their own expertise and knowledge, who will participate in post-event reviews; and who act to reinforce the value of collaboration. There are two critical roles missing here i.e. the line manager and the human resource specialist. MacNeil (2003) makes a convincing case for the importance of the line manager in knowledge management which she suggests has been overlooked to date. She identified the line manager’s contribution as creating a positive learning climate, encouraging open
exchange, reinforcing that making mistakes is acceptable and that it is helpful to share errors. Although she does note that there are questions about the extent to which line managers have the skills to facilitate knowledge management.

Given a broader understanding of knowledge as above, then knowledge management is inevitably bound up with human resource management in overcoming barriers and in proactively supporting knowledge management. Human resource professionals may, for example, utilize facilitator skills in supporting knowledge management, or they align human resource activities with knowledge management needs.

**Objective and Importance of Knowledge Management**

Knowledge management is about getting knowledge from those who have it to those who need it in order to improve organizational effectiveness. As asserted by Blake (1988), the purpose of knowledge management is to capture a company’s collective expertise and distribute it to wherever it can achieve the biggest payoff. This is in accordance with the resource-based view of the firm, which suggests that the source of competitive advantage lies within the firm, i.e.; in its people and their knowledge, not in how it positions itself in the market. A successful company is a knowledge-creating company.

In the information age, knowledge rather than physical assets or financial resources is the key to competitiveness. In essence, as narrated by Mecklenburg, Deering and Sharp (1999), knowledge management allows companies to make the best use of their employees’ creativity and expertise. But, as Boxall and Purcell (2000) asserted, “Managing Knowledge inevitably means managing both the company’s proprietary technologies and systems, which do not walk out of the door at the end of the day, and the people who do walk out of the door at the end”.

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Contribution of Human Resource to Knowledge Management

Human resource can make an important contribution the knowledge management simply because knowledge is shared between people; it is not just a matter of capturing explicit knowledge through the use of IT. The role of human resource is to ensure that the organization has the intellectual capital it needs. The resource-based view of the firm emphasizes, in the words of Cappell and Crocker – Hefter (1996) that “distinctive human resource practices help to create unique competencies that differentiate products and services and, in turn, drive competitiveness”.

Human resource can contribute by providing advice on culture management, organization design and development, and by establishing learning and communication programmes and systems. There are ten ways of doing this:

1. Help to develop an open culture in which the values and norms emphasize the importance of sharing knowledge.
2. Promote a climate of commitment and trust.
3. Advise on the design and development of organizations that facilitate knowledge sharing through networks, team work and communities of practice.
4. Advise on resourcing policies and provide resourcing services that ensure that valued employees who can contribute to knowledge creation and sharing are attracted and retained.
5. Advise on methods of motivating people to share knowledge and rewarding those who do so.
6. Help in the development of performance management processes that focus on the development and sharing of knowledge.
7. Develop processes of organizational and individual learning that will generate and assist in disseminating knowledge.
8. Set up and organize workshops, conferences, seminars, communities of practice and symposia that enable knowledge to be shared on a person-to-person basis.

9. In conjunction with IT, development systems for capturing and, as far as possible, codifying explicit and tacit knowledge.

10. Generally, promote the cause of knowledge management with senior managers to encourage them to exert leadership and support knowledge management initiatives.

Organizational Effectiveness
Our formal definition of organization is a social entity that is goal directed and deliberately structured. Social entity means being made up of two or more people. Goal directed means designed to achieve some outcome, such as make a profit, win pay increases for members, meet spiritual needs, or provide social satisfaction. Deliberately structured means that tasks are divided and responsibility for their performance is assigned to organization members. This definition applies to organizations, including both profit and not-for-profit.

Management is the attainment of organization goals in an efficient and effective manner. Management is so important because organizations are so important. In an industrialized society where complex technologies dominate, organizations bring together knowledge, people, and raw materials to perform tasks no individual could do alone. Managers are responsible for organizations and for seeing that resources are used wisely to attain organizational goals (Okere, 2013).

Based on our definition of management, the manager’s responsibility is to coordinate resources in an effective and efficient manner to accomplish the organization’s goals. Therefore, “organizational effectiveness” is the degree to which the organization achieves a stated goal. It means that the organization succeeds in accomplishing what it tries to do. Organizational
effectiveness means producing a product or service that customers value. Organizational efficiency refers to the amount of resources used to achieve an organizational goal. It is based on how much raw materials, money, and people that are necessary for producing a given volume of output. Efficiency can be calculated as the amount of resources used to produce a product or service. Efficiency and effectiveness can both be high in the same organization. Thus, the ultimate responsibility of manager is to achieve high performance which is the attainment of organizational goals by using resources in an efficient and effective manner.

**Conclusions**

Knowledge management is an alternative way forward which is packaged in a more user-friendly way, but is not without significant problems. Knowledge management, however, is concerned with storing, and sharing the wisdom, understanding and expertise accumulated in an organization about its processes, techniques and operation. It is about getting knowledge from those who have it to those who need it in order to improve organizational effectiveness. Therefore, there are two approaches to knowledge management i.e.; the codification strategy and the personalization strategy. Knowledge is carefully codified and stored in database where it can be accessed and used easily by anyone in the organization. Knowledge is also closely tied to the people who has developed it and is shared mainly through direct person-to-person contracts.

The various approaches referred to above do not provide easy answers. The issues that need to be addressed in developing knowledge management processes include pace of change, relating knowledge management strategy to business strategy, technology and people, significance of process, and knowledge workers. Human resource can make an important contribution to knowledge management simply because knowledge is shared between people, it is not just a matter of capturing explicit knowledge through the
use of IT. Human resource can equally contribute by providing advice on culture management, organization design and development, and by establishing learning and communication programmes and systems.

**Recommendations**
The work recommends the following based on literature reviewed and conclusions to enhance knowledge management organizational effectiveness in Nigeria.

1. Knowledge should be treated as a key resource.
2. Knowledge management should be concerned with storing and sharing of wisdom, understanding and expertise.
3. Knowledge management should be concerned with people and how they acquired, exchange and disseminate knowledge.
4. Knowledge should carefully be codified and stored in databases where it can be accessed and used easily by anyone in the organization.
5. Knowledge should be closely tied to the person who has developed it and be shared mainly through direct person-to-person contacts.
6. Human resource manager can contribute in knowledge management by advising on culture management, organization design and development, and by establishing learning and communication programmes and systems.
7. Human resource manager should advise on methods of motivating people to share knowledge.
8. Human resource manager should help to develop an open culture that emphasizes the importance of sharing knowledge; promote a climate of commitment and trust; ensure that valued employees who can contribute to knowledge creation and sharing are attracted and retained.
9. Attention should be paid to the processes such as social, technological and organizational, through which knowledge combines and interacts in different ways.

10. Knowledge management system should create networks or communities of practice or interest of knowledge workers.

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