

THE ANALYSIS OF SELECTED RELATIONSHIPS BETWEEN HUMAN RESOURCE MANAGEMENT STYLE AND THE EFFECTIVENESS OF KNOWLEDGE MANAGEMENT

doi: 10.2478/czoto-2019-0110

Date of submission of the article to the Editor: 04/12/2018

Date of acceptance of the article by the Editor: 19/01/2019

Rafał Prusak¹ – *orcid id: 0000-0001-9896-7233*

Simona Jursová² – *orcid id: 0000-0001-7816-0264*

¹Czestochowa University of Technology, **Poland**, *prusak.rafal@wip.pcz.pl*

²Technical University of Ostrava, **Czech Republic**

Abstract: The creation, dissemination and use of knowledge depends on many factors related to both the specificity of the enterprise, the type of organizational solution, the style of human resource management used, the potential of employees and, above all, the ability of the company to use this potential. From the point of view of efficiency of acquiring, disseminating and using knowledge in the enterprise, human resources management is of key importance. Methods and techniques used in this area should be thoroughly analyzed and critically evaluated in terms of their relevance and real positive impact on knowledge management. This study attempts to analyze selected issues related to the company's management style, the existing variant of the organizational structure and the general assumptions of the knowledge management system. The main goal of the study was to identify trends and dependencies between these factors in the context of knowledge management effectiveness. The study used a questionnaire consisting of 63 questions. In individual companies the questionnaire was each time filled in by the representative of the company's top management. The study presents a part of the examined issues directly related to the indicated topic based on data obtained from 105 enterprises.

Keywords: knowledge management, human resource management

1. INTRODUCTION

Over the last few decades, very clear changes have occurred in the theory and practice of organization and management. Both the distribution of accents in particular areas and the ways of defining, implementing, implementing and controlling goals have changed significantly. A number of new elements have been introduced, the nature and construction of which are significantly different from those used previously, which forced the development and introduction of new management methods and techniques. One of such relatively new elements is knowledge management. Knowledge has become a direct competitive advantage for enterprises offering ideas and relationships (Ulrich, 1998). According to Drucker, the most valuable resources of the 20th-century enterprise were the means of production held. The most valuable

asset of the 21st century institutions - both in business and non-business - will be the knowledge worker and his performance (Drucker, 2009). Knowledge is a smooth combination of expressed experience, value, appropriately selected information and expert insight into an issue that provides a framework for the assessment and inclusion of new experiences and information (Davenport et al., 2003).

An effective knowledge management system should help the company: foster innovation by encouraging free flow of ideas, improving customer service by shortening reaction time, multiplying income by faster release of products and services to the market, optimizing employment fluctuation by recognizing the value of employee knowledge, and retaining most valuable employees, shortening the process of operation by eliminating unnecessary processes, thus lowering the operating costs [Santokus and Surmacz, 2001]. Nonaka and Takeuchi, distinguished three management models in the aspect of creating knowledge (Nonaka and Takeuchi, 2000):

- up-down - the highest level of management creates knowledge after receiving information from employees,
- bottom-up - knowledge is created by the so-called entrepreneurial unit,
- mid-top-bottom - knowledge is created by the whole team with mid-level managers (so-called knowledge engineers) at the forefront; task teams.

Using the first management model, it manages to gather explicit knowledge, while in the second - hidden knowledge. Both types of knowledge accumulate in the third model. Hidden knowledge is subjective, flows from experience, is difficult to copy and has a simultaneous character. Explicit knowledge, on the other hand, is objective, flows from rational thinking, is easy to transfer and has a sequential character (Nonaka and Takeuchi, 2000).

An important problem in effective knowledge management is often inappropriate management of human resources. This is due to the fact that despite many years of development of human resources management, the gap resulting from the discrepancy between the rhetoric "people are our most important asset" and the reality based on "impersonal economic rationalism" is still perceived by a number of scientists. (Gill, 2018). Managers often focus on short-term, easily identifiable and measurable effects, because their assessment systems strongly emphasize this type of performance. From the point of view of knowledge management, a wider, more long-term approach is required to allow a more complete focus on intangible and harder to measure elements.

One of the basic management problems in enterprises that want to systematically manage knowledge is motivating employees to actively participate in this process. Sharing knowledge is the behavior of employees that is critical to the company's success in this context. A big problem is not only the development of an appropriate motivational system that uses a complex system of stimuli (taking into account the complexity and multifaceted nature of the issue), but also analyzing the effectiveness of individual activities. The theories existing in this area - based, for example, on theories of planned behavior and self-determination - are helpful but should be further developed to better suit the typical contexts of knowledge exchange (Stenius et al., 2017). It is important to use appropriate forms of leadership in the context of motivating to share knowledge. As studies show, an important element supporting knowledge management in enterprises is transformational leadership (interaction of

all team members - including its leader - reference to values important for both sides). This management method promotes knowledge sharing in a team and achieving team innovation through an integration mechanism that manifests as a team collaboration standard (Jiang and Chen, 2018).

The issue of fundamental importance is the development of appropriate methods for the operation of high-level management staff responsible for developing the vision and strategy of the company and having access (often unique) to the widest range of knowledge in the enterprise. Research conducted by Heavey and Simsek indicate the possibility of using in this area methods based on transactive memory that can provide management with a system of generation, distribution and integration of knowledge based on specific knowledge areas of individual members in a way that increases the team's ability to differentiate and integrate strategic plans (Heavey and Simsek, 2017).

The key for knowledge management is the ability of an enterprise to transform human resources into human capital through competence management (matching knowledge, skills and attitudes of employees to strategic goals of an enterprise). Human capital includes knowledge, experience and skills of employees that create a synergy effect in the form of innovations ensuring development (Białasiewicz, 2013).

All activities undertaken as part of knowledge management should lead to intensification of improvement processes in the enterprise in every area of its operation. The importance of improvement and innovation processes and their ultimate importance for the company depends on the efficiency of innovation, and this in turn is strictly conditioned by the chosen path of innovation. In this context, knowledge management is particularly important, including not only generation of knowledge but also the methodology of conduct (more efficient operation, allowing greater use of the company's potential and knowledge gained from the environment). As shown by a study conducted by Chen, Hou and Chen in this type of analysis should additionally take into account the knowledge accumulation threshold (KLA), which is important for the relationship between the path and the efficiency of innovation (increase of KLA contributes to increasing its impact the path of innovation) (Chen et al., 2018). In general, improvement of improvement processes and intensification of pro-innovation activities are possible thanks to several basic factors (Von Krogh et al., 2018):

- creating a structural solution supported by an appropriately created organizational culture allowing for free exchange of information between both employees and factories operating within one enterprise (whereas it should be noted that the results of research presented by some authors (Martinez-Conesa et al., 2017 do not allow unambiguous support of the theory on the relationship between inter-factory relationships and the possibilities and effects of knowledge management),
- focus on maintaining the pace of innovative processes,
- increasing the use of data access systems helps to reduce production costs (customer relationship management, supply chain management and resource planning systems require the codification of hidden knowledge, which increases the company's ability to disseminate ideas and technologies to people who need it),
- improving the company's skills in absorbing and implementing ideas from external sources,

- seeking inspiration in a way that goes beyond the networks operating within the enterprise,
- non-traditional sources of knowledge can initiate process innovations and help overcome difficult problems.

A particularly important process that should be continuously improved is acquiring knowledge from the environment - from contractors, clients, principals, etc. Each interaction of this type brings with it the opportunity to acquire new skills or reduce the information gap and more fully characterize the factors affecting the effectiveness of the enterprise. The company interacts with clients through a very large number of contact points - through a number of channels, media - and the customer experience is social. Each such interaction contributes to the changes (of varying scale and importance), which must be continuously analyzed and implemented to the way of operation and decision-making of the enterprise. These changes require enterprises to integrate many business functions, and even external partners, so that it is possible to create and deliver positive experiences to clients (Lemon and Verhoef, 2016). It should be mentioned that the client's involvement in the process of enterprise improvement can be expressed in three ways: as a source of information, as a co-creator and as an innovator. Each of these forms of client involvement should be based on different ways of using his knowledge, which in turn will strongly depend on the nature of client's knowledge, knowledge management strategy in the enterprise and organizational support for implementation of knowledge management (Cui and Wu, 2016).

2. METHODOLOGY OF RESEARCH

The results presented in this article are part of a study aimed at identifying good (effective) and bad practices in managing people and knowledge in Polish enterprises.

Selection of research facilities was based on a few basic criteria:

- there must be functioning knowledge management mechanisms in the enterprise,
- knowledge management system must be consciously introduced and located in the company's strategy,
- employment must be stable for at least two years,

The study was conducted on a group of 105 companies located in the southern part of Poland, mostly in the province of Silesia and Malopolska. The research sample included both production (59) and service (46) enterprises. In addition, when analyzing the data in this study, the company size criterion was applied, divided into small entities (up to 49 employees), medium (from 50 to 249 employees) and large (over 250 employees).

The study used a questionnaire research concerning the management of people, knowledge and intellectual capital. The article presents the results of eight issues related to the subject of this study:

1. structures: informal or formal,
2. information exchange: free or hierarchical,
3. space management: hierarchical or task-oriented,
4. developing rules: hierarchical or participatory,
5. meetings with managers: frequent or rare,
6. working conditions: shaping or direct process control,

- 7. the model of people management: the human capital model or the sieve model,
- 8. implementation of entrusted tasks: cooperation or competition.

3. RESULTS

Table 1 presents a summary of the obtained results. It was found a large dispersion of results and the position of the median and average close to zero. Clearly outlined preferences of the respondents were observed only in relation to the following issues: 3 (towards negative values) and 5 and 8 (towards positive values).

Table 1
Collective list of research results

Question	Rating scale										
	-5	-4	-3	-2	-1	0	1	2	3	4	5
1	11	9	7	12	10	5	12	20	10	4	5
2	5	8	13	11	14	9	13	10	6	9	7
3	1	2	4	7	13	18	23	19	12	1	5
4	4	7	18	11	10	6	13	16	12	4	4
5	4	13	17	15	13	10	8	6	6	7	6
6	4	3	9	8	15	16	18	15	7	1	9
7	5	4	10	12	13	14	19	17	6	2	3
8	6	10	16	15	13	8	10	7	8	5	7

Source: Own research

Figure 1 presents the distribution of the data obtained with the division according to the size of the enterprise. There are clear differences in the data distribution between the group of small enterprises and groups of medium and large enterprises. This can be particularly clearly seen in the context of issues 1, 4, 5, 7, 8.

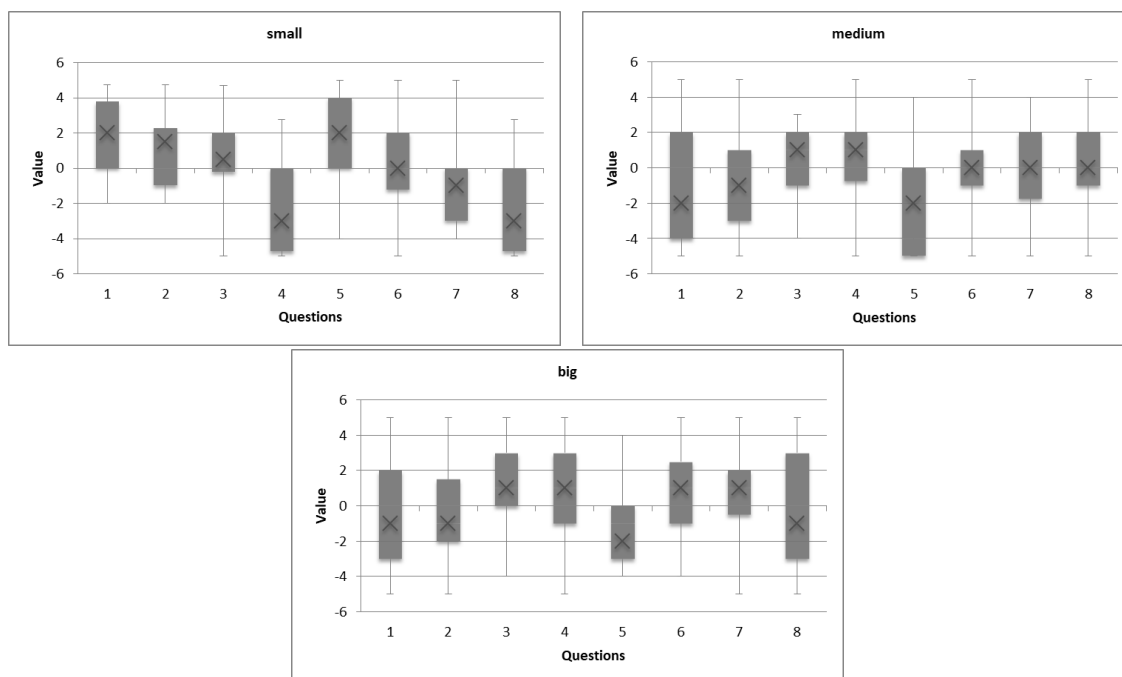


Fig. 1. The distribution of responses by size of enterprise

Figure 2 presents the distribution of obtained data separated by the type of activity. It is possible to observe some differences in the distribution of data, especially visible in the context of issues 1,2,4, 7 and 8.

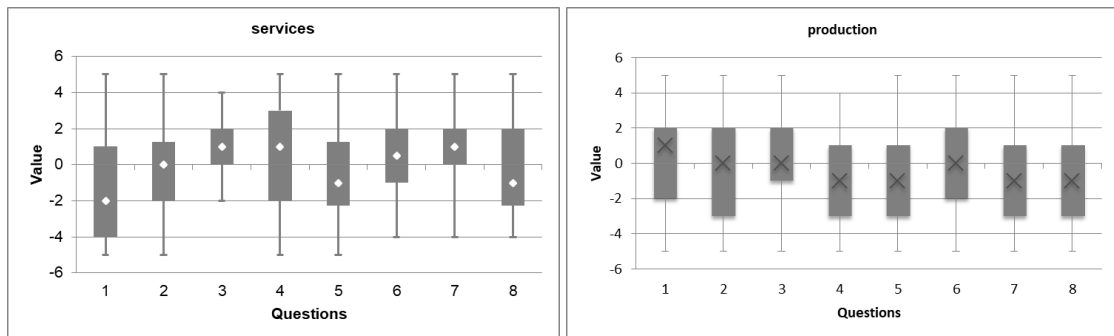


Fig. 2. The distribution of responses by type of enterprise

4. DISCUSSION

A detailed analysis of the obtained results allows to state that:

- as expected - in the surveyed group – in small enterprises there is definitely more pressure on informal structures than in other enterprises - average 1.56 and minimum value -2 (in medium-sized enterprises - 1.3 and -5, in large ones - 0.5 and -5), as a consequence the method of information exchange in this group of enterprises is more free than hierarchical;
- in the context of methods of determining the rules – in the group of small enterprises there was a strong emphasis on employee participation (average -2.3, median -3), while in other enterprises there is a higher hierarchisation (average within 0.75);
- in small enterprises a much smaller number of formal meetings with managers were declared (average 1.78, half of answers located in the range of 0 – 4), while in larger enterprises an opposite tendency was found in this area (especially in the group of medium enterprises: average -2.1 half of answers in the range -4 – -2);
- in the context of the human resources management model in large enterprises, the data distribution shows a greater emphasis on the sieve model (average 0.77), while in the other groups a smaller (medium enterprises – average -0.01) or larger (small: medium -1.1) emphasis on educating successors (the human capital model);
- in the context of the manner of implementation of the assigned tasks – taking into account results from other areas – expected data distributions were obtained indicating a strong focus on cooperation in small enterprises (average -2.2, most results below -1.8) and high diversity of applied variants in other groups of enterprises (averages close to 0, with a spacing of 11).
- both in service enterprises and production enterprises the data distribution indicates a focus on task management of space, although in service enterprises this phenomenon is more pronounced (average 1.23 with a minimum value of 2) than in production (average 0.33);
- an interesting distribution of data was obtained in the aspect of the applied human management model - in service enterprises stronger emphasis was placed on using the sieve model (average 0.77, median 1), while in production enterprises

the respondents declared more frequently using the human capital model (average -0.8, median 1).

5. CONCLUSION

Knowledge management systems operating in enterprises have to fulfill many tasks and functions, among which the most important are: selection of information flowing into the enterprise, prevention of knowledge loss, constant improvement of key skills, facilitating knowledge sharing by employees, improving the processes of introducing new products to the market and creating new markets or increasing the level of innovation of the company. These - and other goals - can be achieved in many ways, using different management styles, variants of a structural solution or with different configurations and ways of using resources. Basic elements facilitating knowledge management can be identified, such as: flat management structures, creating communication networks based on informal structures, using IT tools, free and not hierarchical information exchange, shaping the process conditions, not direct control, stimulating employee creativity, financial incentives, stability of employment implementation of the system revealing all errors, benchmarking (both internal and external), codification of key knowledge, recognition of the superiority of collective memory over individual. However, the solution present in a particular enterprise must be specific to a certain extent, tailored to its potential, market situation, goals and skills. Fahey and Prusak indicate the most common mistakes in knowledge management (Fahey and Prusak, 1998):

1. Not developing of working definition of knowledge.
2. Emphasizing knowledge stock to the detriment of knowledge flow.
3. Viewing knowledge as existing predominantly outside the heads of individuals.
4. Not understanding that a fundamental intermediate purpose of managing knowledge is to create shared context.
5. Paying little heed to the role and importance of tacit knowledge.
6. Disentangling knowledge from its uses.
7. Downplaying thinking and reasoning.
8. Focusing on the past and the present and not the future.
9. Failing to recognize the importance of experimentation.
10. Substituting technological contact for human interface.
11. Seeking to develop direct measures of knowledge.

The results presented in this paper, of course, does not allow to draw specific, serious conclusions, but give a certain picture of the situation and allow to observe trends and differences between the specified groups of enterprises.

REFERENCES

- Armstrong, M., 2003. *A Handbook of Human Resource Management Practice*. 9th ed. Kogan Page, London, 161–162.
- Białasiewicz, M., 2013. *Kształtowanie kapitału ludzkiego w organizacji*. WNUS, Szczecin.
- Chen, H., Hou, J., Chen, W., 2018. *Threshold Effect of Knowledge Accumulation between Innovation Path and Innovation Performance: New Evidence from China's High-tech Industry*. *Science Technology and Society* 23 (1), 163–184, DOI: 10.1177/0971721817744459.

- Cui, A.S., Wu, F., 2016. Utilizing *customer knowledge in innovation: antecedents and impact of customer involvement on new product performance*. Journal of The Academy of Marketing Science 44 (4), 516 – 538, DOI: 10.1007/s11747-015-0433-x.
- Davenport, T.H., Prusak, L., Stapleton, S.L., Wilson, H.J., 2003. *What's the Big Idea?: Creating and Capitalizing on the Best Management Think*. Harvard Business School Press, Boston.
- Drucker, P.F., 2009. *Praktyka zarządzania*. MT Biznes, Warszawa, 145–146.
- Fahey, L., Prusak, L., 1998. *The Eleven Deadliest Sins of Knowledge Management*. California Management Review, 40 (3), 265–276, DOI: 10.2307/41165954.
- Gill, C., 2018. *Don't know, don't care: An exploration of evidence based knowledge and practice in human resource management*. Human Resource Management Review 28 (2), 103–115, DOI: 10.1016/j.hrmr.2017.06.001.
- Heavey, C., Simsek, Z., 2017. *Distributed Cognition in Top Management Teams and Organizational Ambidexterity: The Influence of Transactive Memory Systems*. Journal of Management 43 (3), 919–945, DOI: 10.1177/0149206314545652.
- Jiang, Y., Chen, C.C., 2018. *Integrating Knowledge Activities for Team Innovation: Effects of Transformational Leadership*. Journal of Management 44 (5), 1819–1847, DOI: 10.1177/0149206316628641.
- Lemon, K.N., Verhoef, P.C., 2016. *Understanding Customer Experience Throughout the Customer Journey*. Journal of Marketing 80 (6), 69–96, DOI: 10.1509/jm.15.0420.
- Martinez-Conesa, I., Soto-Acosta, P., Carayannis, E.G., 2017. *On the path towards open innovation: assessing the role of knowledge management capability and environmental dynamism in SMEs*. Journal of Knowledge Management 21 (3), 553–570, DOI: 10.1108/JKM-09-2016-0403.
- Nonaka, I., Takeuchi, H., 2000. *Kreowanie wiedzy w organizacji*. Poltext, Warszawa, 24–25.
- Santodus, M., Surmacz, J., 2001. *The ABCs of knowledge management*. CIO Magazine, 5/2001.
- Stenius, M., Haukkala, A., Hankonen, N., Ravaja, N., 2017. *What Motivates Experts to Share? A Prospective Test of the Model of Knowledge-Sharing Motivation*. Human Resource Management 56 (6), 871–885, DOI: 10.1002/hrm.21804.
- Ulrich, D., 1998. *A New Mandate for Human Resources*. Harvard Business Review January – February, 124–134.
- Von Krogh, G., Netland, T., Worter, M., 2018. *Winning With Open Process Innovation*. Mit Sloan Management Review 59 (2), 53 – 56.