Human Resources and the Management of Knowledge  
Sue Brelade & Chris Harman

Introduction

There is a continuum between systems and people centred approaches to knowledge management. Where each organisation lies on this continuum tends to reflect the initial driver for knowledge management. Many organisations come to KM from the systems perspective. The appeal of this approach is obvious. It is rational, controllable and measurable. Given inputs will give results that can be replicated. In these organisations, knowledge management is often seen as a natural evolution from investments in management information and customer relationship management systems. It represents a move in focus from housing data to using it. It is when the promised benefits are not fully realised that attention tends to shift to the people dimension. However, dealing with people is very different from dealing with systems and technology. It is complex, uncertain, and the same inputs do not always give the same results.

Focus on the people dimension is where HRM can play a key role in helping to create an environment in which individuals willingly acquire, share and use knowledge for the benefit of the organisation.

This involves both the explicit knowledge, captured and documented in organisational information systems, as well as the tacit knowledge employed by staff in doing their jobs. However, to create such an environment within an organisation means addressing values and culture, not

Figure 1: KM Continuum

---


just HRM policy and practices. It is involves taking a strategic approach to how people are managed.

Developing and implementing HRM polices and practices to support effective knowledge management is a multi-disciplinary, enterprise wide endeavour. It will involve HRM, IT and knowledge management professionals as well as line managers. As with any enterprise wide endeavour, a critical component is top management support. Gaining that support will usually require demonstrating that the anticipated outcomes of aligning HRM and KM will also deliver top management and organisational objectives.

As part of a multi-disciplinary approach, a key element of the HRM role is to help bridge the gap between what people know - the information and expertise they have available to them - and what they do. It is what people do with knowledge that is the driver for improving performance, improving competitiveness and, for the public sector, improving public policy and public service delivery.

Corporate HRM approaches with particular impact on knowledge management include reward strategy, recruitment, retention, succession planning and training and development.

**Reward Strategy**

An organisation’s reward strategy will generally reflect the organisational culture and determine organisational behaviours. Reward strategy is a broader concept than simply pay. Rewards can take many forms other than money. Rewards include formal and informal recognition that employees receive, the behaviours that the organisation reinforces, the behaviours that lead to promotion and progression and, conversely, those that lead to sanctions.

In developing a reward strategy two key issues to consider are:

- The expectations of those being rewarded.
- The different 'time horizons' of different forms of reward.

Considering the expectations of those being rewarded can involve developing a reward strategy on a consultative basis. I may also involve introducing flexible benefits out of which staff can construct their own remuneration package, within the limits set, based on their own needs and aspirations. When considering time horizons, praise for a job well done, bonuses and similar have a short time horizon. Pensions, promotions, development opportunities all have a longer time horizon. An effective reward strategy will combine both short-term and long-term rewards.

When linking HRM policy with KM the reward strategy needs to recognise and reinforce behaviours and competencies that support the acquisition, use and sharing of knowledge. This can mean recognising:

- The extent to which individuals and teams have acquired new skills and knowledge (either inside or outside work, training based or activity based) and taken on new projects.
• The contribution of individuals and teams to enterprise wide knowledge resources, for example through contributing case studies, contributing to wiki’s and similar

• The contribution of individuals or the team to the development of other employees and other teams both inside the organisation and in partner organisations (for example, mentoring or coaching at individual level, knowledge sharing activities at team level and with partner organisations)

• The involvement of individuals and teams in generating new ideas and improvements (in their own areas of work and more widely)

Frequently the organisational pay hierarchy requires individuals to leave their area of expertise and move into management roles in order to progress. In an environment which emphasises knowledge management, there is an argument for twin track progression systems, managerial and professional. This can be a particular cultural challenge for public sector bodies – to allow professionals to be paid more than their managers. It is less of an alien concept in other sectors of employment such as hi-tech, media and sport. Similarly, there is a strong KM argument against traditional incremental pay systems and promotion based on seniority, both of which reward length of service rather than contribution, knowledge and skills.

The pay elements of the reward strategy have to be appropriate to the particular environment and the individuals involved. For example, in a highly knowledge based sector such as competition law, which will often be recruiting from the same talent pool as the private sector, it may not be appropriate to operate traditional civil service pay structures. This may be difficult politically, if the competition authority is a branch of the mainstream civil service, and special arrangements may be required. In the UK, where regulators are generally independent of government, this is less of an issue and salaries can be set by the regulator, reflecting their particular recruitment market. In some areas, such as media regulation, this can lead to salaries considerably higher than in the mainstream civil service, although there is, arguably, a trade-off with reduced job security and less advantageous pension schemes.

Reward strategies also include non-pay elements. Designing the non-pay rewards to reinforce effective knowledge management can involve introducing elements such as:

• Awards for innovation, new ideas and similar. Examples include an annual training award for the person who has done most to apply their learning within the workplace, an award for the best technical paper of the year published externally.

• Features in in-house publications (intranet, magazines) on the work of particular individuals or teams.

• Internal (and external) recognition for external achievements including rewards for articles published, support for involvement in external projects and recognition in the workplace of the development benefit of such activity.
• Ensuring internal reports at all levels are always in the name of the main author not a director or senior manager, and that all contributors are acknowledged.

• Involving as many staff as possible in project presentations and policy meetings

Recruitment, Retention and Succession planning

When recruitment, retention and succession planning are viewed in a knowledge management context, the challenge is to see an organisation not as a series of job roles but in terms of knowledge gaps, either current or anticipated.

Knowledge gaps do not have to be met through filling jobs with people. Whilst recruitment may be a solution, other solutions will include implementing new systems and processes, new technology, contracting in specialist skills, or contracting out a function. In a knowledge environment, recruitment, retention and succession planning are not simply HRM issues but strategic issues incorporating decisions on the shape and form of the future organisation. This will mean decisions of the future structure, the balance between in-house and external provision, the technology to be employed and the applications required.

Where recruitment is the preferred solution to meet a knowledge gap, organisations involved in KM are increasingly using flexible approaches to recruitment. Recruiting to specific and defined roles, common in bureaucratic organisations, offers one of the least flexible approaches to recruitment. Focusing on knowledge and ‘talent’ means focusing on the individual not the role. Experience shows that jobs quickly grow up around talented people. Conversely, talented people forced into tightly defined roles may find it difficult to excel, and may soon leave. One challenge that this presents is to look at recruitment from the perspective of what the appointment is intended to achieve.

A difficulty for HRM specialists involved in KM will be to balance a more flexible approach with the statutory framework that traditional systems have been developed to deal with. The idea of a rigidly defined job role is, after all, not something invented by HRM specialists but rather something deeply embedded in the thinking of many employees, trades unions and also in employment legislation in many jurisdictions. The idea of a detailed job description, of a rigidly defined job role comprising a series of tasks, does not lend itself to effective KM, or to the development of that individual and the organisation.

A more flexible approach to recruitment does not necessarily mean a less rigorous approach. There is however, a particular danger for effective KM in the use of sophisticated selection procedures, for example personality and aptitude testing. The danger is that the 'norms' used (particularly if internally generated) may be designed to obtain cultural fit. In doing this they can easily exclude more creative and innovative individuals and discourage diversity, to the detriment of effective KM which seeks to encourage precisely these factors. More important than cultural fit is the ability of candidates to be effective in different cultures.
Retaining knowledge within an organisation and retaining people are linked, but are not the same thing. This is an area where KM professionals and HRM specialists can productively work together to retain both people and knowledge. From the HRM viewpoint, retaining people requires recognising and responding to the needs and aspirations of knowledge workers which are often value driven and centred on lifestyle choices. This can mean a flexible approach to employment to accommodate differing lifestyle choices for example:

- individualised employment contracts
- increased home-working and part-time working options
- support for personal development
- secondment opportunities

as well as selling the organisation based on its values.

The key outcome of any KM approach to retention is that if a person does leave, as much as possible of their relevant knowledge is retained within the organisation. A common approach is through a structured exit interview. How successful this may be can depend on the manner in which people leave. For example, the austerity regimes implemented by some governments, as in the UK, are seeing large numbers of public sector workers leaving their jobs. In those circumstances there may be little motivation for the individual to share knowledge or take part in an exit interview process. However, it is possible to apply financial and non-financial incentives, for example bonus payments or access to development opportunities (prior or post leaving). A useful focus for knowledge retention exit interviews is to concentrate on the knowledge and skills used by the individual to do their job, which may not be fully documented. Knowledge managers will need to remember that the traditional HRM exit interview, particularly in the UK, is orientated around administrative matters and generally designed to protect the organisation’s legal and financial interests, not to retain and preserve knowledge. A useful tool for capturing knowledge in an exit interview is a hierarchical task analysis (figure 2) designed for knowledge transfer³.

Succession planning is generally concerned with a longer-term approach to ensuring adequate staffing levels and skills mix. Using the approach of focusing on knowledge gaps, not the resource, succession planning needs to integrate planning for people resources alongside future systems and technology requirements, as well as planned training and development. More advanced approaches, in areas of anticipated future skill shortages, may involve active engagement on the supply side. This can include, for example, working with educational institutions, influencing curriculum development, student sponsorships, involvement with careers advisory services and promotion of the sector/organisation through the media. It can also include measures to reduce demand, for example working with IT providers to produce new solutions/applications as well as responses such as out-sourcing or external procurement.

**Training and Development**

When discussing KM and HRM, training and development is usually identified as having a key role. It deals with skills based training as well as continuous professional development. It is a means by which individuals learn about the organisation, its policies and procedures. It provides opportunities for developing new knowledge and understanding and can be a vehicle for fostering innovation and creativity. The training methodology of workshops, action centred learning and similar, is also ideally suited to facilitating knowledge sharing between departments and across tiers of management, for example through horizontally and vertically integrated workshops and through facilitating joint project reviews, critical incident analysis and similar.

In addition, in a knowledge environment the training function is likely to be involved in:

- equipping managers to foster innovation and creativity
- enabling staff to manage their own learning and development
- training in the use of data in decision making and problem solving
- training in mentoring and coaching skills

Developments in technology, including shared workspaces, video conferencing, virtual environments and social media, allow a cost effective approach to training which can encompass geographically dispersed staff. These can also be key tools for sharing knowledge and expertise across national boundaries and between organisations.

**Management Role**

Power in organisations has been described as flowing from the ability to solve the critical contingencies facing the organisation. The importance of knowledge in a knowledge-based organisation puts this type of power into the hands of knowledge workers, challenging traditional power relationships. In practice, it means that knowledge workers increasingly influence the way in which they are managed.

---

4 For discussions of power in organisations cf the work of Argyris, C., Schon, D e.g. “Organizational Learning: A Theory of Action and Perspective” Addison-Wesley,
Traditional 'industrial economy' models of management, where the manager controls and directs the work of others, are based on the idea of the manager having more knowledge than those managed and those managed being unable to direct themselves. Neither of these factors apply in the knowledge-based organisation. The knowledge worker will often know more than their manager about their own work and are capable of self-direction. The industrial model of management was also based on hierarchical communications with the manager relaying messages from above to the team and taking messages back. The flexibility of modern communications, through email and social media, make this a redundant model. Communications flow in all directions within an organisation, and across organisational boundaries. Exercising management control through the control of information flows is not a practical option.

These factors mean that, for a management role to continue to add value in a knowledge environment, it needs to be redefined. The redefinition is often from controller to coach and from that to facilitator. Such a redefinition is often accompanied by traditional elements of the management role, such as co-ordinating work, chasing output, setting targets, being seen as a series of tasks that can be allocated within a team. In an environment that is heavily dependent on the knowledge of individual workers, the transition in the manager role can take another step from facilitator to ‘servant’, essentially redefining the role to supporting the ‘managed’ to perform. It is this progression that is influencing the approach to HRM in the knowledge environment.

The key elements of the management role in a knowledge environment include:

- Supporting team members in their own development and in sharing their expertise
- Encouraging individuals to use their knowledge and expertise to best advantage

---

• Facilitating innovation and creativity and encouraging new ideas

• Representing the interests of the team/individuals to the organisation

To be able to deliver in this type of role managers will need to:

• Be able to create a 'high trust' environment

• Communicate effectively and ensure good communications within the team as well as between the team and the organisation

• Prioritise the training and development needs of the team and have the skills to analyse development needs

• Understand the information and knowledge requirements of their team and the skills of creative thinking, innovation and problem solving

For managers to encourage individuals to use their own knowledge and expertise effectively for the organisation they need to create an environment in which individuals feel ownership of issues and responsibility for developing solutions. Such an environment is most likely to be achieved where individuals feel a high degree of autonomy and pride, not where they are subject to a hierarchical ‘command and control’ model.

Typical approaches for managers to encourage effective knowledge management include:

• Allowing individuals to use their own expertise and knowledge with minimum interference and maximum autonomy

• Providing teams with the means to access and share information.

• Recognising and rewarding openness and the sharing of information and knowledge

• Promoting networking

• Providing development opportunities

• Providing feedback to team members and from the organisation to the team

These changes in the management role are also reflected in the changing nature of teams. Teams are seldom just a group of people working together on a permanent basis within one department or functional area. Teams can be permanent groupings based around an ongoing task or project, temporary groupings put together to deliver a short-term result, physically located together or geographically dispersed. Some teams may meet only in cyberspace, some teams will involve people both inside and outside the organisation. The common feature is the pooling of resources and knowledge to address a common agenda.
The creation of virtual teams using the internet as the primary means for collaborative working, introduces particular requirements compared with teams that are physically located in one place. These can include:

- Providing a common information database/shared workspace
- Establishing technical and behavioural communications protocols
- Establishing progress tracking and ensuring the work 'stays on topic',

The need for behavioural as well as technical protocols is particularly important with virtual teams whose members live in different countries or work in different organisations as e-communications can easily result in cross-cultural misunderstandings.

**Internal and External Focus**

Whilst many KM projects and HR departments are internally focused, there is, within the public sector just as in business, an external dimension. For many public sector bodies, this external dimension is the wider public, the e-citizen. For some public bodies, such as competition regulation authorities, it is likely to include public sector agencies in other jurisdictions, for example when dealing with global businesses and international issues or when sharing expertise between organisations and across national boundaries. There is also, in some jurisdictions, a drive for 'joined-up' public services, dealing with complex social issues by working across organisational boundaries, sharing knowledge and expertise.

The need for an external focus for KM and HRM does not simply derive from public policy issues and service delivery requirements. It is also the result of changes both in how organisations are managed and how staff behave. For example, IT departments are increasingly turning to cloud computing linked to mobile technologies. Management operations are increasingly delivered by a range of directly and indirectly employed staff. Research and development may be handled by project teams drawn from a variety of organisations or outsourced. Policy development may be a shared activity with NGO’s, academics, industry partners and citizens.

For employees, in their everyday work, they will access a range of external information sources, often web based, and may participate (either actively or passively) in knowledge sharing through communities of interest, social media, wikis and blogs. Perhaps the most significant change for both HRM and KM is the development of social media. This is seen by some as reflecting a contemporary blurring of work/life boundaries and by others as potentially transforming the way employees will work together. Key for KM and HRM will be utilising the anticipated

---

benefits to be derived from social media, of improving workplace communication, cooperation and collaboration, in the delivery of organisational objectives.

However, for HRM and KM these developments point to a blurring of boundaries both internally to an organisation as well as externally. Whilst the blurring of internal boundaries may be viewed as a positive, given the limitations to effective KM and HRM created by internal organisational divisions, the blurring of external boundaries is more complex. The reality of permeable organisational boundaries (internal and external) poses particular issues and risks for regulatory bodies dealing with confidential and sensitive issues or operating internal ‘firewalls’ between different parts of the regulatory function.

Reflecting this increasing permeability of boundaries both within organisations and externally, and the increasing use of web 2.0 technologies, practical approaches for HRM and KM include:

- Producing clear protocols and guidance for managers and staff on knowledge sharing outside organisational boundaries, supported by appropriate training
- Utilising social media both internally and externally to facilitate communication and cooperation between staff and across organisational boundaries
- Developing corporate wiki’s to capture and share corporate ‘know-how’
- Encouraging internal blogs to communicate the work, activities and ideas of individuals and teams

**Conclusion**

The approach to HRM being presented in this paper is predicated on the ability to build a high trust environment in which there is a high degree of autonomy for individual knowledge workers. Such an environment will encourage the acquisition use and sharing of knowledge. It will be characterised by:

- A strong and shared set of values
- Support for new approaches to management
- People-centric HR policies and practices
- Embracing social media/web 2.0 technologies
- Working across internal and external organisational boundaries
- Facilitating multi-disciplinary approaches
- Recognising and rewarding the acquisition use and sharing of knowledge by individuals and teams
- Focusing on the recruitment and retention of knowledge
- Offering high levels of involvement in decision making

However, the current global financial situation presents a particular challenge to this approach. When times are difficult, there is a natural tendency for organisational management to fall back on ‘command and control’ models. That is often accompanied by a tightening of controls, particularly on costs and communications,
and a reduction in the ‘organisational space’ that is necessary for creativity and innovation. Such a response is likely to be short-sighted and potentially counter-productive. There is an argument that real cost savings for public services lie in innovation and creativity based on effective acquisition, use and sharing of knowledge. When cuts are being made and there may be many staff fearing redundancy, the need for open communication and employee engagement increases, rather than reduces.

The other challenge to the role of management, and to the development of HRM policies in a knowledge environment, is the rise of social media. The statistics on the development of social media show clearly this is something that will lie at the heart of our future ways of operating. From a knowledge perspective this can be seen as a positive. That is because social media is fundamentally about knowledge sharing. It satisfies a desire to know, to know about our friends and acquaintances, to share information, to interact with others, to belong to and be part of a wider social network. In many ways it fulfils a need that would, for many, be satisfied within the workplace – a need to belong, to be part of something bigger than oneself, to interact with others, to share knowledge and information, to build relationships. From a HRM and KM perspective, the challenge is how to harness this natural desire of individuals to share knowledge and experience and link it with the organisational systems and processes. The eventual goal being to translate it into outcomes linked to organisational objectives.

Creating an environment where staff have the desire and confidence to willingly acquire, share and utilise knowledge, is fundamentally about culture and values. It is about the climate created within an organisation. It is about ensuring clear values, shared by staff, are demonstrated in how the organisation acts at every level. Within the regulatory environment it is, in some ways, easier to articulate clear values, rooted in the notion of service to the wider community. What is less easy is to ensure that those values are maintained and demonstrated despite commercial and political pressures. Staff will be very quick to see where compromises are made, either with regulated industries or political masters. Such compromises may be a feature of real life, but unless they are communicated and understood by staff, then trust will be lost and those things dependent on trust, such as effective knowledge management, will suffer.

It follows from this emphasis on values and organisational culture, that KM and HRM for effective enforcement of competition law will need to be led from the top. Without that leadership, without top-down commitment, it is unlikely a culture that supports the acquisition, use and sharing of knowledge will be created or maintained.

Sue Brelade BA (Hons), MA, Dip Mgt, Chartered FCIPD, ACIL
& Chris Harman BA (Hons), MA, Chartered FCIPD
2012

---

10 For example, in March 2012 Facebook was reporting 901 million monthly active users.