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# HUMAN RESOURCES AND MOTIVATION
# IN KNOWLEDGE MANAGEMENT

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ABSTRACT

Problem of motivating people in regards to the implementation and living the culture of Knowledge Management (KM) becomes an area of interests for contemporary managers. Companies feel the need of understanding how to support their employees so that they participate in KM more effectively and efficiently. Therefore it seems important to identify practical factors which may encourage individuals to be part of Knowledge Management initiative. Based on the research (led in one of biggest multi-cultural companies in Europe, in nine countries, cross-departmental), critical factors significantly impacting the employees' contribution to KM were identified. Providing the examples of actions and decisions that should be considered when setting-up motivation system supporting KM, the article can be valuable for the managers and HR specialists in the companies which are considering or have already implemented Knowledge Management.

KEYWORDS

Knowledge Management, motivation, Human Resources .

## Introduction

Human Resources and motivation are topics well elaborated in the literature dedicated to managers and HR experts. These areas in reference to Knowledge Management are also the topic of interests for well known KM publishers, e.g.:

– I. Nonaka and H. Takeuchi describe "knowledge-creating crew" (the employees participating in knowledge creation in the company: knowledge practitioners, engineers and officers), its roles, behaviors, responsibilities or involvement in KM process; they also provide theoretical implications of e.g. dichotomies (individual/organizational, top-down/bottom-up management models) which may influence KM [1].
– T.H. Davenport and L. Prusak describe the process of generating the knowledge, the role of individual, provide examples of practices facilitating knowledge creation, proposals of possible solutions to knowledge transfer barriers [2].

– D. Leonard-Barton describes the process of creative abrasion ("constructing confrontation" of individuals with various backgrounds, focus on "people's cognitive approaches to problem solving and innovation" and the importance of appropriate managing human resources to get the element of creativity) [3].

The researches underline the importance of creating appropriate environment for KM initiative (to encourage individuals to share and generate the knowledge), level of uniqueness of human capital (directly linked with competitive advantage of a company) [4], the roles of employees in KM process and how motivation can influence it. But there may be a need for reviewing these concepts and finding practical recommendations in reference to dynamic aspects of Knowledge Management at different levels of organizational structure.

Many of the companies which recognize the importance of KM and can afford to build the KM culture are often international corporations thus the in-

ternational dimension for HR and motivation might be a valuable addition to the available publications. Therefore one of the biggest multi-cultural companies in Europe (also being a part of a global concern with more than 100 years history) was chosen to run the research that was aiming to e.g. identify important factors in Human Resource management, which may have noticeable impact on employees' contribution to KM in such companies.

The goal was to understand cross-functionally and internationally (corporation's employees from nine European countries participated in the research):
– The needs of an individual motivating him/her to support Knowledge Management,
– The characteristics of an employee background that help him/her to perform in the supportive way for KM initiative.

The conclusions stated in the article can be beneficial for managers and HR specialists in the companies which are thinking of or have already implemented Knowledge Management. The article provides the KM recommendations which are based on "bottom-up" inputs (mainly first line employees and their direct supervisors), which adds practical dimension to the paper.

## Individual's needs in Knowledge Management

In Armstrong model (covering enhancement, concept of homeostasis and systems theory) [5], motivation is initiated by the individual's unsatisfied needs (recognized knowingly or unknowingly) – Fig. 1. The needs cause desires to achieve something. Then the goals to achieve the desires are established. Having the goals, the individual chooses the ways to meet the goals. Once the goal is achieved, the need is satisfied – in case the situation is repeated, the probability that behavior will be repeated is high. In case the need was not satisfied, the probability to repeat the behavior is lower.
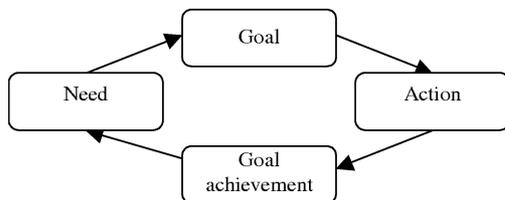


Fig. 1. Motivation process [5]

Based on the research the following individual's needs in Knowledge Management were identified (descending order, starting from the most often indicated by the employees):

– Satisfaction of having broad knowledge,
– Respect in the eyes of co-workers,
– Supporting company overall growth,
– Respect in the eyes of supervisors,
– Personal satisfaction of helping the other people,
– Possibility to grow in the company,
– Financial rewards.

What is worth noticing is that even financial rewards are important to employees, there are also multiple other factors which they value even more [6]. The individual's perceptions and feelings such as satisfaction or respect are important and definitely should be considered in motivation system (e.g. when building company's values).

## Background supporting Knowledge Management

The organization itself is not capable of generating the knowledge – only its employees can do that [1]. However, the enterprise can have a material influence on implementing the processes and tools regarding Knowledge Management and motivation the employees to participate in KM initiative [2].

The research showed that there are characteristics of working background (environment) that can help in Knowledge Management:
– Stability of employment,
– Intra-organizational rotation,
– Communication between management and employees,
– Appropriate rewarding system,
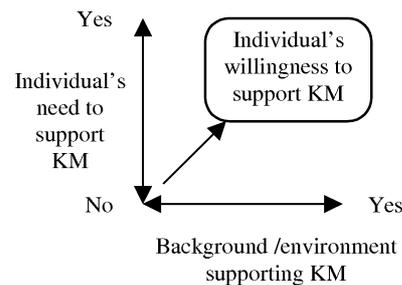– Support at various organizational levels for KM initiative.



Fig. 2. Individual's willingness to support KM [Author's elaboration]

An employee willingness to support Knowledge Management initiative can increase, when two things happen at the same time: the direction to an individual's needs is provided and appropriate environment supporting KM is set (Fig. 2). Organizations which are implementing KM should work on both fronts: related to the individual needs and related to the environment.

## Stability of employment

The employees who participated in the research claimed they do not feel secure regarding stability of employment. Un-stabilized professional situation, may limit employees engagement in the work they do, not to mention the knowledge sharing (this was particularly visible at the lower level of organizational pyramid). This situation implicates:

– Employees may tend to treat their knowledge as competitive advantage [7]; in their view sharing the knowledge would mean the company would not need them any more,
– Employees will limit their engagement and proposing innovative solutions as this would not protect their job position in the company; additionally their ideas would work for others not for themselves.

In managing Human Resources, one should consider investing in employees and giving them a possibility of long term cooperation. Obviously this approach can be very difficult to implement when lowering the operational costs is critical (e.g.: focus on low cost does not support investing in people, building up long term career paths etc.). It happens quite often that an enterprise decides to move its plant, department etc. to lower labor cost countries. In such situations the project managers should pay a particular attention to the knowledge transfer between employees (from one country to another), as this can be the major factor for project success or failure.

In overall, the management should considered what is more financially justified: job stabilization for employees (which can trigger or facilitate employees' openness for sharing ideas, knowledge and innovation) or going in the low cost direction (limited commitment to the work, reluctance to the knowledge sharing). Above statement is vitally important for the departments which are critical for the company success (the example could be Research and Development department).

## Intra-organizational rotation

Rotation of employees (inside-outside the enterprise) is a measurement which can indicate whether Human Resources management is successful in a company or not. In the company where the research was conducted, the rotation of employees was significant. This could derive from various backgrounds e.g.: limited investments in people, not many opportunities to grow in the organizational pyramid, low salary, wages and benefits etc. The fact is that the rotation does impact Knowledge Management. The influence can be twofold: on one hand there is "fresh

blood" (which brings enthusiasm, energy, new views etc.) but on the other hand the knowledge and experience built through the years can go away.

The research shows that intra-organizational rotation of employees could bring the benefits mentioned above ("fresh blood" to some departments) without loosing valuable employees (knowledge outflow). Additionally intra-organizational rotation can support or facilitate KM in following ways:

– Rotation helps socialization in KM process (sharing experiences); work environment which supports building informal communication channels can bring the benefit of enhanced sharing of tacit knowledge [8],
– In the multicultural companies, and employee changing geographical location can bring better understanding of the country he/she is coming from (which is vitally important in e.g. designing new products or conducting international projects),
– New employee is self developing by gaining new, international experience,
– Employee participating in intra-organizational rotation does not get bored with the job.

Intra-organizational rotation should be considered by the organizations as part of Human Resources management.

## Communication management and employees

Knowing the functions of communication (controlling, motivating, expressing feelings and informing) [9] as well as strategies of communication (based on analysis of: what employees, want to hear, what management wants to communicate, problems faced while sending and receiving information) [5] one should consider it as the means to support KM initiative. In the research, the role of communication between management and employees – in both directions (top-down and bottom-up) – was investigated in regards to KM.

Top-to-bottom communication (e.g. through newsletters, quarterly meetings explaining financial results, organizational changes e-mail announcements) can have following consequences [10]:

– It can help in building the trust of employees towards management; the trust can pay back: the management can build on that while introducing various initiatives, (for instance: KM),
– An individual, who knows and understands the situation of the company, may better deal with the changes – he/she is better prepared for challenges and comprehends the need of improvements etc.

| Examples of actions/decisions that should be considered when setting-up HR system supporting KM | | |
|---|---|---|
| **Dynamic aspect of Knowledge Management** / **Levels of organizational structure** | **Knowledge creation** | **Knowledge codification** | **Knowledge transfer** |
| **Normative Management** | • Openness for knowledge should be one of company's values<br>• Rewarding rules encouraging employees to participate in knowledge creation should be established<br>• Company rules should support knowledge creation:<br>   o by generating opportunities to acquire knowledge,<br>   o through creating knowledge creation centers (schools, universities etc.),<br>   o through knowledge combination,<br>   o through knowledge adaptation,<br>   o through creating knowledge networks | • Rules for codifying knowledge (e.g. documents' formatting) should be explicit if possible; the aim is that explicit knowledge is:<br>   o structured, therefore easily available for those who need it,<br>   o mobile,<br>   o easy to absorb (if possible)<br>• Access to knowledge should be defined | • Rules allowing and encouraging employees to share their knowledge should be defined (knowledge transmission)<br>• Rules allowing employees to participate In knowledge sparing session should be defined (knowledge abortion)<br>• Means needed to support good communication between employees should be provided |
| **Structure / Organization** | • There should be a team co-coordinating /supporting communities of practice, promoting knowledge creation initiatives, reviewing innovations from bottom line etc.<br>• Organization should create the environment within which, employees can realize their KM objectives (IT tools supporting communication, libraries, etc.) | • Employees should be supplied with means to codify the knowledge (IT solutions)<br>• Company's structure should help employees to set-up cross functional teams | • Organization should support knowledge transfer process (defined as e.g. knowledge transmission and knowledge absorption)<br>• Organization should give employees a feeling of employment stability so that they do not treat their knowledge as competitive advantage and are willing to share it with others |
| **Managers / Tasks** | • Managers should communicate company's objectives to employees, so that the knowledge they generate is supporting company targets<br>• Managers should look for, and reward these employees who contribute to knowledge creation (e.g. participate in communities of practice, seminars etc.)<br>• Managers should support creation of knowledge networks | • Managers should evaluate if generated knowledge is useful (helpful in achieving defined objectives) and can be codified; feedback to employees should be provided<br>• Managers should be sensitive to the difference between information overload and information redundancy (which can have positive impact on KM in the company) | • Managers should be aware of potential barriers in knowledge transfer (e.g.: lack of trust, culture differences, lack of tolerance for mistakes, different points of reference) and how to overcome these<br>• Managers should facilitate knowledge transfer by organizing discussion sessions, intra-organizational rotation, allowing employees to publish their researches<br>• Managers should support spontaneous knowledge sharing |

Fig. 3. Examples of actions/decisions that should be considered when setting-up HR system supporting KM
[16 and author's elaboration]

Having established the environment of information exchange, the management can benefit from the bottom-up communication [11]:

– By feedbacks, the employees can communicate their needs or expectations towards company or management; as already mentioned, the understanding of individual needs is necessary to move people towards KM support direction,

– Mutual understanding of employees and management helps to build better working atmosphere which directly contributes to company's success.

The researches show that both directions' communication is important in KM initiative.

## Appropriate rewarding system

The topic of salaries and rewarding of employees is quite broad and well elaborated in the literature: the structure of salary wages and benefits (SWB), the factors influencing SWB, goals and strategies behind SWB, ways of evaluating job positions, competencies etc. Additionally it is difficult to provide one-fits-all recipe regarding rewarding system that would support KM. However there are guidelines which management could take into consideration while designing the rewarding system. As per J.Arnold, I.T.Robertson and C.L.Cooper definition of motivation [12], the rewarding system supporting KM should cover:

– Direction – what an employee is trying to do regarding KM,

– Effort – how hard an employee tries to do something regarding KM,

– Persistency – how long an employee tries to do something regarding KM.

Additionally the rules that help management to evaluate the employees support for KM should be clear, measurable, objective and communicated to all employees. The rules should be directly linked with KM objectives and supported by environment (e.g. if building cross-departmental teams is helping in knowledge sharing than the supervisors and HR department should help employees in building such teams). The employees should be rewarded based on performance related basis (e.g. evaluation against objectives or against work behaviors) [13, 14]. Additionally the rewarding system should [15]:

– Appreciate employees who take a risk to promote creativity in solving daily problems,

– Be more focus on appreciating groups rather than individuals, to stimulate cooperation and knowledge sharing.

## KM support at various organizational levels

At last it is important to provide few examples of actions and decisions which should be taken at different levels of organizational structure which would support Knowledge Management at the stage of creation, codification and transfer (Fig. 3).

## Summary

Knowledge Management is important initiative for many companies. As it is very expensive to implement, the management should get prepared for it as much as possible and think about various ways of supporting it. Managing Human Resources is the key behind KM success, therefore the article presents few aspects worth considering while rolling-out KM:

– Identified needs of an employee motivating him/her to support Knowledge Management,

– The characteristics of an employee background that help him/her to perform in the supportive way for KM initiative (e.g.: stability of employment, intra-organizational rotation, communication between management and employees or appropriate rewarding system).

The article also provides the examples of actions and decisions to be considered at different levels of organizational structure to support KM while creation, codification and transfer.

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