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**Abstract:** In order to have a sustainable competitive advantage, organisations are generally recognising the crucial importance of knowledge management as a competitive weapon to exile in the global competition. Accordingly, it is a must to consider the impact of such a notion towards the theory and practice of management in general and other functional areas like HRM in particular. To effectively manage and gain significant contribution of knowledge and knowledge workers for organisational performance, organisations tend to use effective HR practices and strategies in knowledge management. In this regard, the objective of this study is to describe and analyse the theories and existing practices of human resource management and knowledge management via literature reviews. According to this paper, organisations are generally recognising the crucial importance of knowledge and knowledge management as a competitive weapon to exile in the global competition. Such trend challenges the traditional HRM in considerable ways more than ever before. Beyond its consideration of the challenges posed to HRM in general, this paper has tried to address the transformation needed by the major functional areas of HRM in such a way that they are going to respond to these challenges.

**Keywords:** knowledge management; human resource management; competitive advantage; transformation in HRM; knowledge workers.

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## **1 Introduction**

Nowadays, the environment of business is becoming very dynamic and there is an increasing competition in the market among rival firms. In order for having a sustainable competitive advantage, it is conspicuously noted that "...Knowledge is increasingly claimed to be a very critical resource and source of competitive advantage in the modern global economy...."

In this regard, the competitive advantage literature in international business journals in the last two decades has constituted a considerable database Guan and Kwon (2022). Organisations can explore the advantages provided by knowledge to become more profitable, grow larger and make the necessary investments that will allow them to develop unique experience (Brouthers et al., 2022).

As organisations are generally recognising the crucial importance of knowledge management as a competitive weapon to exile in the global competition, it is a must to consider the impact of such a notion towards the theory and practice of management in general and other functional areas like HRM in particular. In line with this, (Gloet, 2006) said while associating with its multidisciplinary character and broad scale of KM, there is an increasing attention that spans traditional, functional and professional boundaries ranging from IT professionals, to accountants, marketers, organisational development and change management professionals. Focus on knowledge work, knowledge workers and the defining characteristic of knowledge in organisations is the typical feature of this widely divergent activity (Gloet, 2006).

When we talk about KM process, goals and practices as well as its strategic importance for organisations at its heart are the people (human) aspect of the organisation in which knowledge is to be placed. In other words, as stated by Grover and Davenport (2001), in Huang (2007), "knowledge is created and applied in human beings' minds". Accordingly, the traditional HRM theories and practices have to be redefined in such a way that they will address the different requirements for a successful KM Projects. In doing so, it is necessary to look at 'the paradigm shift for HRM in a knowledge economy and address the issues of what is the nature of the tradition proposed for HRM and how does this relate to the functional areas of HRM?' (Whicker and Andrew, 2004).

This entails that the change in the emphasis will have its own implication on management in general and HRM in particular. As it has been stated by Gloet (2006), while it can be argued that there is a reasonable agreement on the nature of HRM, its components and consequences, this is not the case when KM is concerned. A theoretically.

Well-founded classification of KM in connection with HRM can serve as a basis for further empirical analysis (Heinrich and Schramm, 2022). The researchers confirmed that the quality of the accompanying relationship is critical to the entrepreneur's learning and acquisition of KM (Mohamed and Zouaoui, 2022). Accordingly, it is necessary to state as

clearly as possible what is understood by KM prior to undertaking an analysis of the relationship between the two areas. It is after this that it is possible to discuss the implications of KM on HRM practices.

## **2 Explaining knowledge management**

Knowledge is the sum of what is known and resides in the intelligence and the competence of people (Matta and Karam, 2022). According to Petersen and Poulfelt (2002), KM relates to knowledge development, application and sharing within the organisation to gain sustainable competitive advantage over rival firms. In light of this, the application of KM within the organisations provides better decision making, increased productivity and profitability (Edvardsson, 2003).

Although there is no universally accepted definition of KM, there are different attempts to define its objectives and processes. At first glance, it is stated that “knowledge management is a broad-based movement to bring together intellectual resources and make them available across organisational boundaries” (Davenport et al., 1997). The most important idea of this definition is that knowledge has to be shared throughout the organisation. In like manner, beyond the identification of the intellectual capital, organisations have to make concerted efforts to make the knowledge accessible by different units in the organisation.

Similarly, Robertson (2002) tries to extend the definition to include interaction of people in the organisation as follows:

“KM systems attempt to break down barriers within organisations by making information available at all levels and across organisational boundaries. This allows knowledge and experience to be shared among people who otherwise would never meet each other”.

Given this, in order to show the continuous nature of knowledge management, Quintas (2001) in Keelan (2003) states KM as about “creating a thriving work and learning environment that fosters the continuous creation, aggregation, use and re-use of organisational and personal knowledge”.

Another definition of KM is provided by Davenport and Prusak (1998) touching many aspects the issue as put here under:

“Knowledge management is concerned with the exploitation and development of the knowledge assets of an organisation with a view to furthering the organisation’s objectives. The knowledge to be managed includes both explicit, documented knowledge, and tacit, subjective knowledge. Management entails all of those processes associated with the identification, sharing and creation of knowledge. This requires systems for the creation and maintenance of knowledge repositories, and to cultivate and facilitate the sharing of knowledge and organisational learning. Organisations that succeed in knowledge management are likely to view knowledge as an asset and to develop organisational norms and values, which support the creation and sharing of knowledge”.

From the above definitions, the following major aspects of KM can be identified having their own implications on management in general and other functional areas like HRM in particular. Firstly, one key aspect of KM is about identifying and further enhancing the already existing organisational knowledge, to this end, organisations need to have clear

understanding of their knowledge resources. Secondly, both documented and undocumented knowledge in the organisation have to be effectively managed. Thirdly, an aspect is that KM is about the whole process in nexus. Fourthly, KM needs a knowledge system, that is, a system for managing knowledge in organisations for supporting creation, capture, storage and dissemination of information.

Given this, KM has its own typologies. In light of this, (Polanyi, 1967) classified knowledge management as explicit and tacit knowledge. Accordingly, tacit knowledge is highly personal and intimately linked to the knower's experience, context-specific and generally difficult to be communicated. It is exemplified by insights, intuitions, personal skills and craft using rule of- thumb to solve a complex problem. On the other hand, explicit knowledge is systematic and very easy to communicate via formal and objective as well as systematic methods. It is easily codified can be unambiguously represented in words numbers and specifications (Daft, 2001; Chua, 2002) in Edvardsson (2003).

In addition, there are different strategies of knowledge management. According to Hansen (1999) in Har et al. (2010), there are two strategies for managing knowledge: 'codification' and 'personalisation'. 'Codification [strategy] refers to acquiring and sharing of knowledge where it is accessible and reusable explicitly' (Edvardsson, 2008) in Har et al. (2010). Codification aims to improve effectiveness and growth through formal sharing, learning and teaching. Hansen (1999) in Har et al. (2010) highlighted that "The reuse of knowledge saves work, reduces communications costs, and allows a company to take on more projects". Whereas personalisation strategy refers to development of knowledge through person-to-person communication (i.e., dialogue and learning history) aiming at directly sharing tacit knowledge that is related to personal insight and skills (Edvardsson, 2008) in Har et al. (2010).

This said, KM need to incorporate human aspect in its basic processes of knowledge acquisition, application and sharing activities via managerial practices in organising knowledge management in an organisation as a whole. In line with this, the following excerpt is quite revealing:

"While knowledge is only applicable in the concept of human being related activities, proper KM involves the basic processes of knowledge acquisition, application and sharing which can only be conducted between humans. Organisational knowledge therefore requires managerial practices that apply KM activities from one part of the organisation to another, and/or create new knowledge that may be useful to the organisation based on such human activities" (Har et al., 2010)

The same author further asserted that

"KM generally refers to the efficient management of using knowledge and knowledge worker with the ability to establish strong collaborations among workers in the process of knowledge creation, knowledge integration, knowledge sharing and knowledge application" (Rowley, 1999; Shanks and Tay, 2001 in Har et al. (2010).

A successful KM is deemed as the primary foundation for organisations to attain competitive advantage (Cepeda-Carrion, 2006; Grant, 1996) in Har et al. (2010). KM also enables firms to achieve competitiveness in the market and retention of customer loyalty by building a close relationship with the customers Paquette et al. (2006) in Har et al. (2010). Thus, KM provides a continuing learning culture with collective skill and aptitude towards innovation (Massey, 2001; Romano, 2000) in Har et al. (2010).

### 3 HRM in the knowledge economy

According to Edvardsson (2003), HRM started to be popular in the 1980s. According to Edvardsson (2003), the controversies in the origin, philosophy and characteristics of Human Resource Management can be summarised in to four approaches as follows:

- HRM is no more than a renaming of basic personnel functions, which does little that is different from the traditional practice of personnel management;
- HRM represents a fusion of personnel management and industrial relations that is managerially focused and derives from a managerial agenda;
- HRM represents a resource-based conception of the employment relationship, some elements of which incorporate a developmental role for the individual employee and some elements of cost minimisation; and
- HRM can be viewed as part of the strategic managerial function in the development of business policy, in which it plays both a determining and contributory role.

Following Torrington and Hall (1998) HRM is explained by Edvardsson (2003) comparing it with traditional personnel management. For them, personnel management is workforce-centred, which is mainly directed at employees. Viewed in this way, personnel management entails finding and training employees, arranging for them to be paid, making clear what is expected of them by management, justifying management's actions and making their work-related needs to be fulfilled. Moreover, employees in the organisation are the starting point, and are relatively inflexible in comparison with other resources, such as cash and materials. On the other hand, HRM is resource-centred, which is mainly directed at management needs for human resources (not necessary employees) to be provided and deployed. Its key focus is demand rather than supply. Viewed in this light, HRM is entirely identified with management interests, being a general management activity, and is relatively more distant from the workforce as whole, as employee interests can be enhanced only through effective overall management.

Given this, the same authors wind up their arguments by saying that both personnel management and HRM can exist in one organisation, sometimes in one person. Such a situation may lead to tension and ambiguity; however, in the long run, there is a tendency for HRM duality to increase at the expense of personnel management.

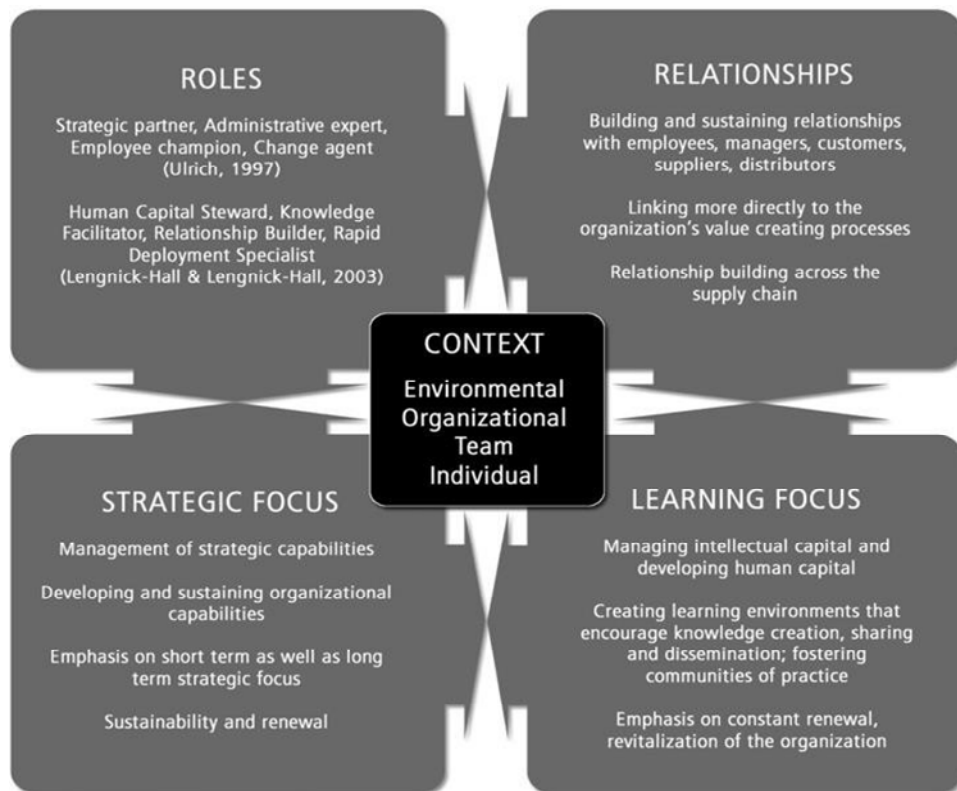
Here, it bears pointing out that HRM should revise its traditional approaches and come up with new practices that can go in line with the requirement of the knowledge era in order to contribute its role in the knowledge economy. To this end, there are several studies that urge HRM to redefine its roles, practices and theories in such a way that it can appropriately respond to the emerging necessity of KM. Accordingly, in this part of the paper, I will review relevant literatures on currently prevailing relationships between KM and HRM and propose specific theoretical and practical implications for the profession in the Knowledge era.

At first glance, in order for organisations to realise competitive advantage in the knowledge economy, knowledge-based capabilities are the key to competitive advantage. At an organisational level, the most crucial requirements of having strategic potential are the people in the enterprise, and their knowledge and innovative capacity. Consequently, organisations that outshine others in attracting, creating, and managing and sustaining knowledge capabilities are placed in a better position (Whicker, 2004).

Hence, human resource management in the knowledge era is confronted with new challenges emanating from the new business environment. To appropriately and timely respond to these challenges, it basically requires innovative ways of thinking and acting, new policies and practices, new technologies, and new job requirements. Accordingly, the functional areas of HRM are impacted by the increasing significance of knowledge (Dobrai, n.d.). Soliman and Spooner (2000) in Har et al. (2010) suggested that “with the perception of knowledge is residing in the human resource for competitive advantage, a well-positioned HRM is essential to the success of KM activities due to the systematic process of knowledge capturing, using and re-using it”. The same authors further argued that “...HRM practices can be the facilitators for knowledge absorption, creation, sharing and transfer among employees.” Similarly, Hislop (2003) in Har et al. (2010) added that the adoption of HR policy and practices can influence for sharing knowledge.

Following Gloet (2006) in order to revitalise and appropriately respond to the requirements of knowledge economy and to develop linkages with KM, HRM function should undertake changes across four key areas: roles, responsibilities, strategic focus and learning focus. The relationship between these areas is set out in the following figure.

**Figure 1** The relationship among roles, responsibilities, strategic focus and learning focus



Source: Gloet (2006)

Regarding its roles, according to Lengnick-Hall and Lengnick-Hall (2003), in order to contribute its role in the knowledge system, the following are the new roles of HRM: “human capital steward, knowledge facilitator, relationship builder, and rapid deployment

specialist". The same authors hold that "KM has the capacity to significantly broaden the role of the HRM professional". The first role significantly acknowledges value of intellectual capital, and in this regard, it should clearly make sure that human capital is available, effective and that it will grow in value. The focus of the knowledge facilitator role is learning and development, the effective management of knowledge and establishing an appropriate environment to knowledge creation, sharing and dissemination. Creating and sustaining networks and communities of practice, of joining together people in various parts of the supply chain in new ways is what entails the relationship builder. Responding rapidly to the dynamic and swiftly changing markets nature of the knowledge economy is the challenge faced by the rapid deployment specialist. This needs information, business process and organisational design that are rapidly changing with the needs of the dynamic environment. This implies that HRM should be significantly broadened in order to respond to the requirements of KM.

As can be seen from the illustration above, HRM should build and sustain relationships with employees, managers, customers, suppliers and distributors. In this regard, the following excerpt is revealing:

"HRM in the knowledge economy should reflect a responsibility for developing and sustaining organisational capabilities through activities that overlap with traditional business functions such as strategy formulation and implementation, finance and marketing, as well as new functions such as KM" (Gloet, 2006).

In line with its strategic focus, HRM should manage strategic capabilities; emphasise on short term as well as long term strategic focus; and be concerned about sustainability and renewal. In order to respond to uncertain, dynamic and fluid global business environment, the traditional long term strategic development and planning emphasis of HRM needs to be complemented by a more short term strategic plan. In the same fashion, the short term strategic emphasis of organisations should take in to account long term sustainability in addition to constant renewal and revitalisation (Gloet, 2006).

In order for having learning focus, HRM is expected to manage intellectual capital and develop human capital; create learning environment that encourage creating, sharing, and dissemination; fostering communities of practice in addition to its emphasis on constant renewal and revitalisation of the organisation (Gloet, 2006). In this regard, the same author stated that a pivotal aspect of life in the knowledge economy is the need for learning. The emphasis on discrete HRM practices is broadening to a focus on developing themes and creating environments conducive to learning, as well as to the acquisition, sharing and dissemination of knowledge within organisations. This includes creating and sustaining learning environments and nurturing communities of practice. The new role for HRM includes managing intellectual capital and developing human capital within the organisation.

Similarly, following Whicker and Andrews (2004), in order to "maximise benefit from knowledge assets" the following recommendations are required for HRM in the knowledge economy:

- provide expertise in understanding and defining firm-level strategic knowledge capabilities
- develop and manage knowledge workers by leveraging the knowing-learning-doing nexus



- build knowledge value as an organisational as well as an individual asset
- Minimise the organisation's knowledge risk in Whicker and Andrew (2004) associated with loss of requisite capability and knowledge.

**Table 1** HRM in the knowledge economy

<i>HRM focus</i>	<i>Traditional HRM</i>	<i>HRM in knowledge economy</i>
Strategy	Develops HR strategy to align with business strategy	HRM contributes to business strategy development as the expert on strategic knowledge capabilities _ Knowledge acquisition, creation, business strategy
Recruitment and selection	Seek and select resources _ Describe job requirements and fill vacancies _ Select from pool of applicants available at the time the vacancy is identified	Identify, attract and sustain talent _ Seek out high calibre talent _ Focus is on a flexible, agile workforce _ Partner with external providers of knowledge
Training and development	Develop individual skills and competencies _ Plan and coordinate training programs _ Provide and monitor professional development programs _ Focus is on individual skill acquisition	Develop individual and organisational capability _ Recognise the nexus between learning, knowing and doing _ Focus is on personalised capability development embedded in work _ Build 'time-to- capability' by accelerating learning _ Identify and share excellent practices _ Facilitate knowledge networks _ Build organisational capability by facilitating knowledge transfer
Workforce planning	A focus on 'head count' – address current and short- term resource needs by organisational unit _ Identify current and short-term resource needs _ Develop skills to meet needs via training and development	A focus on 'head contents' – manage knowledge value and risk for the whole organisation _ Forecast knowledge required in strategic knowledge domains for the medium and long term _ Rapidly develop and deploy knowledge sets of employees (individuals and teams)

*Source:* Whicker and Andrew (2004)

**Table 1** HRM in the knowledge economy (continued)

<i>HRM focus</i>	<i>Traditional HRM</i>	<i>HRM in knowledge economy</i>
Performance management	Monitor and modify individual performance _ Reduce or eliminate undesirable behaviours and set desired behaviours to enhance individual performance _ Reinforce organisational culture _ Monitor adequate compliance with policies and procedures	Knowledge worker productivity _ Manage outcomes characterised by long feedback cycles (rather than managing inputs and processes) _ Retain skilled knowledge workers and key knowledge in strategic knowledge domains _ Tap into knowledge worker intrinsic motivations _ Enhance team/business unit performance business strategy

*Source:* Whicker (2004)

To be fundamental to strategic management of the organisation, a vehicle for knowledge creation and building value the coming out of knowledge management is an opportunity for HRM. A basic paradigmatic swing for HRM and senior management is a must more than just relabeling human resources. The revolution starts with viewing HRM through a 'knowledge lens' and repositioning the functions in relation to strategic knowledge capabilities. In doing so, HRM in the knowledge economy entails managing knowledge workers, building value from knowledge, and assessing knowledge risk. In this regard, (Whicker and Andrew, 2004) recommended that "...HRM must respond to the key challenges presented by the knowledge economy and command a central position in realising value from knowledge assets as a strategic role for HRM".

In showing the paradigm shift for HRM in the Knowledge economy and addressing the issue of "what is the nature of the transition proposed for HRM, and how does this relate to the functional areas of HRM", the same authors presented a tabular summary of the comparison between the traditional HRM and what is required from it in the knowledge economy as follows:

Based on the aforementioned literatures, I will look at the specific functional areas of HRM and what is expected of them to appropriately respond to the new era of knowledge economy. In doing so, this part of the paper will illustrate different insights and issues in the knowledge era which can have significant implications in the management of human resources in organisations.

### *3.1 HRM strategy*

Traditionally, HRM was about developing HR strategy to align with business strategy. In the knowledge economy, HRM contributes to business strategy development as the expert on strategic knowledge capabilities, knowledge acquisition, creation, and utilisation is definitional to business strategy. In other words, HRM should be strategic partner and be proficient on strategic KM.

### 3.2 HR planning

Traditionally, HRM was characterised by a focus on 'head count', address current and short-term resource needs by organisational unit, identify current and short-term resource needs, and develops skills to meet needs via training and development. On the other hand, HRM in the knowledge economy should focus on 'head contents', manage knowledge value and risk for the whole organisation, forecast knowledge required in strategic knowledge domains for the medium and long term, and rapidly develop and deploy knowledge sets of employees (individuals and teams).

### 3.3 Recruitment and selection

"Recruitment and selection is the starting step of acquiring human capital, and promoting knowledge and ability" Cabrera and Cabrera (2005) in Huang (2007). Its aim, as identified by Doolewaard and Meihuizen (2000) in Jha (2011), is "to attract the best people to the company in terms of their inherent potential".

In the knowledge economy, the ultimate objective of recruitment and selection is "to source high calibre talent possessing a range of skills and capabilities related to the strategic knowledge areas (Whicker and Andrew, 2004). In the same fashion, Cabrera and Cabrera (2005) in Jha (2011), proposed that "staffing procedures that consider person-environment fit to ensure congruence of individual and organisational values and goals will facilitate sharing among employees. The staffing decisions based on value fit will enhance the relationship between HRM practices and need satisfaction".

This implies that in the knowledge era "to acquire knowledge workers via recruitment and selection process, primarily, organisations need to identify who they really need and want referred to job defining" in Huang (2007). As stated by Cabrera and Cabrera (2005) in Huang (2007), it is viewed that "from the view of resource creation and development, organisations need to pay attention to select valuable workers who have probability of contributing and sharing knowledge and skills with others".

Unlike the traditional HRM, which is concerned about the simple staffing of current vacancies, the major challenge of HRM today is its capacity of selecting people with the capacity of playing their role to the organisation in many ways at present and in the future (Whicker, 2004). The same writer goes on saying that such an effort entails "long-term planning with senior management and the flexibility to hire when the talent is available".

### 3.4 Training and development

Training, as defined by Holden (2004) in Huang (2007), is "a planned intervention by organisation together with business strategy that to improve individuals' job-related competence". Organisations enjoy tremendous opportunities from training as it enable them to communicate and establish norms about sharing behaviour. Increased performance, organisational citizenship behaviour and decline in turnover intentions as parameters of increased intrinsic motivation are the advantages that organisations are going to have due to the simple logic of arranging training programs (Dysvik and Kuvaas, 2008) in Jha (2011).

In the traditional HRM, as indicated in the Table 1, the task of training is to plan and coordinate training programs, provide and monitor professional development programs,

and focus is on individual skill acquisition. In other words, as stated by Whicker and Andrew (2004), it is held that “currently, the emphasis in training and professional development programs is on the provision, coordination and monitoring of training opportunities for individual employees”. In light of this, current approaches to training and development that view professional development as ‘on-top-of’, or supplementing an employee’s work are highly challenged (Whicker and Andrew, 2004).

Consequently, as already indicated in the Table 1, the new role of HRM regarding training and development involves recognising the nexus between learning, knowing and doing; focus is on personalised capability development embedded in work; build ‘time-to-capability’ by accelerating learning; identify and share excellent practices; facilitate knowledge networks; build organisational capability by facilitating knowledge transfer. Similarly, managing intellectual capital and developing intellectual capital within the organisation are the new HRM responsibilities assigned to HRM (Jha, 2011).

Therefore, this emphasis must shift to developing the strategic knowledge capabilities of the organisation in such a way that they may be rapidly developed and deployed (Whicker and Andrew, 2004). In relation to knowledge workers, according to the same authors, it is illustrated as follows:

“Learning and professional development is relevant to knowledge workers to the extent that it is intimately connected with the context of their ongoing work. Further, knowledge workers’ self-motivation to learn suggests that the control over the diagnosis and design of professional development activities are best given to the knowledge workers themselves” (Whicker and Andrew, 2004).

Furthermore, Lengnick-Hall and Lengnick-Hall (2003), in Jha (2011) also see HRM as fundamental “in developing and sustaining a learning focus through facilitating continuous learning, identifying sources of employee knowledge, understanding the mediators that facilitate knowledge sharing, and making information available to employees” (Jha, 2011).

Viewed from another angle, self-direction and autonomy of knowledge workers should be encouraged by HR practices. In this regard, Janz and Prasarnphanich (2003), in Huang (2007) argued that “knowledge workers are better to be given the freedom, independence, and direction to determine what actions are required and how best to execute those actions. For many knowledge works, autonomy has been preferred to any other job characteristics”. With regard to knowledge sharing, it is held that training content can include teaching communication skills and teaching what knowledge to share and how to share it (Jha, 2011).

### *3.5 Performance appraisal*

The long term orientation as an important shift of performance appraisal as opposed to the focus on the “narrowly-defined” duties and responsibilities and observable output orientation of the traditional performance management is presented by Whicker and Andrew (2004) as follows:

“In today’s economy, performance management must be re-conceptualised with knowledge work in mind. The process by which people obtain results becomes much less significant and the focus shifts to managing outcomes, many of which are long- term and difficult to attribute to individuals. For HRM professionals, the key switch is from one of ‘performance management’ to performance support or performance facilitation”.

In addition, Cabrera and Cabrera (2005) in Jha (2011) stressed that the need for incorporating “an assessment knowledge sharing behaviours, feedback on performing such behaviour should enhance knowledge sharing behaviour by satisfying norms” in the modern performance appraisal in the knowledge era. Positive feedback will enhance feelings of competence; communicating such feedback will improve relationship quality with the manager, thus satisfying relatedness. Open discussions of the performance assessment and a participative method for setting improvement goals will also improve feelings of autonomy (Jha, 2011)

### *3.6 Compensation*

In the knowledge age, “compensation practices must also include employee incentives that reward the search for new solutions. According to Jha (2011), incentives need to be accompanied by the acquisition of knowledge and new ideas”. If the knowledge sharing is not incorporated in the formal reward systems of organisations, this may hinder knowledge sharing behaviours in other words “unless knowledge-sharing is built into expectations of the individual and is reflected in the reward mechanism, sharing will not take place” Jha (2011).

Further than this, the same author goes on arguing that “knowledge holder may fear personal loss of power and value or view the commitment of time and efforts too costly. Knowledge seekers may find themselves weighing opportunity costs, resisting change, or worrying about the not invented here syndrome” (Jha, 2011). Lack of knowledge among the populace was the causes of poor compensation uptake (Dankwah et al., 2022).

## **4 Concluding remarks**

Nowadays, the environment of business is becoming very dynamic and there is an increasing competition in the market among rival firms. In order for having a sustainable competitive advantage, organisations are generally recognising the crucial importance of knowledge management as a competitive weapon to exile in the global competition.

Accordingly, it is a must to consider the impact of such a notion towards the theory and practice of management in general and other functional areas like HRM in particular.

To effectively manage and gain significant contribution of knowledge and knowledge workers for organisational performance, organisations tend to use effective HR practices and strategies in knowledge management. Such practices and strategies mainly include HR strategy, HR planning, recruitment and selection, performance appraisal, training and development, compensation.

In this regard, the objective of this study is to describe and analyse the theories and existing practices of human resource management and knowledge management via literature reviews. According to this paper, organisations are generally recognising the crucial importance of knowledge and knowledge management as a competitive weapon to exile in the global competition. Such trend challenges the theory, practice, nature, strategies and boundaries of the traditional HRM in considerable ways more than ever before. Beyond its consideration of the challenges posed to HRM in general, this paper has tried to address the transformation needed by the major functional areas of HRM (HR strategy, HR planning, recruitment and selection, performance appraisal, training and

development, and compensation) in such a way that they are going to respond to these challenges.

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