

Relationship between Knowledge Management, Organization Learning and HRM

## **Introduction**

In this competitive business environment where every business organization is trying to attract the customers of each other, it becomes essential for these organizations to remain competitive by innovating new ideas and thoughts, so that value added products and services can be provided to the customers. The motive of such organization in providing value added services to their customers, require their employees to be quite effective in creating value in all the products and services offered by the organization (Judy 2003, pp.1-12). The knowledge and the skills of the employees are quite crucial for the business organization to remain competitive in this complex business environment. As such, it is essential that the employees should be provided with sufficient training on all the new dimensions that the organization is eyeing to explore in the near future. In upgrading the knowledge and skills of the employees, the role of HR manager of the organization is quite important. The HR manager of the organization has to develop policies that are essential to motivate employees in contributing their maximum effort towards the achievement of the organizational objectives. Apart from the role of HR manager and the employees of the organization, it is quite essential that the organization should be flexible enough in adjusting itself to any type of changes as per the requirement of business environment. The learning of the organization regarding the major changes in the business environment is quite crucial for its success, as it will enable it to effectively process the important information which results into better interpretation of such information and ultimately provides a framework to respond effectively both inside and outside the organization (Smith, Araujo and Burgoyne 1999, pp.3). This essay is basically concerned with the identification of relationship between Knowledge Management, Organizational Learning and HRM of the organization. In order to explore the

relationship between all these important aspects of the organization, a case based on my real experience at work will be analyzed deeply. This will be helpful in identifying the role of knowledge management, importance of organizational learning and HRM in the achievement of organizational goal.

### **My Incident**

I have been working with AlRajhi Bank in Saudi Arabia over a long period of time. All the operations in the bank were performed manually without having any problem. But the recent advancement in the field of technology has necessitated certain kind of changes to be brought in the bank for the effective performance of all the functions. The increasing competition from the other major banks has compelled the AlRajhi bank to bring changes in the organization. Further, the customers of the bank are also expecting better and faster services which could only be possible by implementing latest technology in operation. The major problem that the bank is facing in bringing changes in the organization is the resistance from existing employees including me as well. The major reason behind resistance from my side including other major employees of the organization is that we all had a fear of job loss from such technological change by the management of the bank. The fear that I would not be able to perform effectively in the job has been the main reason for my resistance against the change as desired by management. In order to make such change to happen, the bank has made considerable effort such as; they have given assurance to employees that no one will lose jobs because of such change. They have also given assurance that all the employees will be given requisite training so that all of us could be able to perform effectively in our jobs. The training would be helpful in acquiring sufficient knowledge regarding the way in which all the functions of the bank can be performed effectively. The training process started after a certain period of time and it was quite helpful for me in enhancing my skills and knowledge. The training was helpful enough for all the employees of the organization in performing their function in the manner expected from them by the organization.

## **Relationship between Knowledge Management, Organization Learning and HRM**

Learning of organization, Knowledge management and HRM are the important concepts that have a major impact on the overall effectiveness of the organization. Creation of value for the customer is regarded as one of the most important criteria for the success of an organization. In the process of value creation, there are two types of organizational learning that can take place. This includes exploratory learning and exploitative learning. Exploratory learning implies acquiring knowledge for the purpose of creating value for the customers which does not exist within the organization, whereas exploitative learning implies creating value for the customers by deepening existing knowledge. Both types of learning have different benefits and costs associated with them (KANG, MORRIS and SNELL 2007, pp.236-256). Organizations do not learn by themselves, rather they provide requisite environment to the employees who in turn perform as per the laid down structure in order to achieve organizational objective. In case of my incident at AlRajhi bank, all the employees have been provided with requisite structure in order to perform effectively. In addition to that, with the changing environment, AlRajhi bank has also identified that it needs to bring change within the organization so as to compete effectively with the competitors.

Knowledge Management is another important concept that has vital importance for an organization to succeed. Knowledge management implies acquiring new knowledge that can be utilized for the overall benefit of the organization. The competitive business environment requires organizations to bring innovation in the product and services offered by them to their customers. It could only be possible by having knowledgeable employees in the organization. In this competitive scenario,

knowledge is regarded as a source of competitive advantage (Nonanka 2007). Knowledge creation is essential for the creation of new products and services and the organization should also know the extent of knowledge of its employees, so that it can be utilized for the purpose of achieving competitive advantage. There are various ways through which knowledge can be increased and transferred to the overall good of the organization. One such way is to hire smart people and allow informal communication between them. Another such way is to provide them training on the necessary aspects that the organization think it to be essential for the employees to perform their functions effectively. In my case of AlRajhi bank, the bank also did the same thing with its employees. When it realizes that working on new technology would be a difficult task for its employees, it has decided to impart training to its employees so that they can effectively handle such technological change by enhancing their knowledge. An effective learning would ensure superior performance of the employee within the organization (Senge 1990). The HRM of the organization has an important role to play in the overall improvement of the employee's knowledge. It is the HR manager that has the responsibility to recruit people that have the potential perform effectively. The strategies of the HR manager should be in coordination with the organizational objective. This would ensure maximum possibility of the attainment of organizational objective, as the employees would be most aware of what is expected from them in the organization and try to perform accordingly. Thus the strategy as formulated by the HR manager determines the possibility of organizational success. HRM is an important function as it facilitates the learning for an individual in organization. As in case of AlRajhi bank, it is the HR of the organization that has organized the training of all the employees, so that they could be able to perform their roles effectively. This implies that the function of HRM is quite

essential for the creation of knowledge that ultimately helps the organization in achieving its desired objectives. The relationship that exists between the organizational learning, knowledge management and HRM is positive as the organization assesses the change that is essential as per the changing environment and the HRM of the organization facilitates the employees with requisite knowledge that is essential for them in effectively handling the changing business environment. The relationship between HRM and organizational learning has also been proved by various studies in the past. It has been assessed by such studies that the HRM facilitates relational archetypes that provide support to organizational learning in achieving continuous growth (KANG, MORRIS and SNELL 2007, pp. 236-256).

### **Conclusion**

Organizational learning, Knowledge management and HRM are the interrelated concepts as they all contribute towards the achievement of organizational goal. Organizations learn from the environment and adapt themselves quickly to such changing environment. This requires the HRM to frame policies that helps in knowledge creation within the organization and enables the employees to perform their functions in the most effective manner. The policies of the HRM should be in coordination with that of the organizational objective to attain the maximum possible benefits. From this discussion, it can be concluded that the all the function are interrelated to each other and are essential to be perform in a manner that helps in the attainment of the ultimate objective of the organization.

## References

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