
An Extant Review of Literature on Hrd Practices, Knowledge Management and Organizational Performance

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Abstract: Managing business strategically has given rise to the importance of HR as the essential source of competitive advantage. The theory of resource justifies that sustained competitive advantage can only be achieved by valuing the human capital as it is difficult for others to imitate as compared to other resources like raw materials, technology, process, etc. are easy to imitate; hence, HR may be taken as the most important source of sustained competitive advantage. Therefore, the use of strategic management in examining the role of HR as capital has forced to expand the focus of HRM research as a strategic approach (Baird and Meshoulm, 1988). Management of HR in a strategic manner to achieve sustained competitive advantage makes HRM climate and culture apparent for OP, such as increased satisfaction, commitment, employee and customer retention. KM has come out as a critical concept for improving OP through improved use of knowledge and for minimizing the loss of valuable knowledge when employees leave. HRD Climate is frequently observed as a key empowering influence of KM. In acknowledgment of the importance of knowledge in OP, the field of KM developed as an emphasis on improved comprehension of the procedures and their connections to OP in current organizations. At the same time, the field of HRD rose with attention to improved comprehension of the procedures of learning and advancement (L&D) in organizations and their connections to Perf. KM and HRD appear to entwine normally in their ways to deal with OP. HRD practices change the capabilities of employees at all levels in an organization and in this way assume a significant role in driving advancement and development. Individuals' capabilities and how those capabilities are utilized within the organization due to advancements in the systems and processes of HR management involving HRD helps to leverage the many-fold benefits. In that trio of extraordinary capacities, HRD centers focus on learning and improvement at the individual, group, and organizational levels that happens when employees have the knowledge, competencies, skills and attitude for getting the hang of, facing attentive challenges, sharing information, and thinking imaginatively, and when organizations offer help by managing it through effective KM. Ishak et al. (2010) propose KM is fundamental for building up the human asset. It is additionally recommended that HRD is fundamental for developing the knowledge that flows through the KM framework. Hence, the purpose of this study is to investigate the pathways leading from HRD to OP through KM as a mediator and presenting a comprehensive framework for steel companies of India to strategies effective HRD practices for better and effective KM for enhanced Perf organization-wide.

Keywords: HRD Practices, Knowledge Management, Organisational Performance, KM Model and OP Model

INTRODUCTION

The growth of human capital within an organization through the development of both the organization and the individual to achieve enhanced Perf is what the HRD framework is. It fosters to develop the key competencies that facilitate individuals to perform job roles through planned learning activities. Changes in the organization at individual and group levels are initiated and managed through a conducive HRD climate. It ensures to achieve individual and organizational desires. Rao and Pareek (1984) in the organizational context defined HRD as a continuous planned process by which to help employees of an organization through

- 1) Obtaining capabilities necessary to perform various activities associated with present or future job roles;
- 2) Developing capabilities exploiting inner potentials for individual and organizational development purposes, and;
- 3) Developing an organizational culture in which supervisor-subordinate relationships, teamwork and association are tough which contributes to the well-being of employees.

According to Nadler who coined the term HRD and defined as enhancing job Perf through organized learning experiences in a certain time period. McLean and McLean (2001) defined that it is a process or activity that it

helps to develop individuals sooner or later based on their knowledge, expertise, efficiency and satisfaction, whether for the benefits of individual, organization, community, the nation at large.

The psychological contract theory contends that singular conviction has an equal commitment toward the organization, and is an undeniably pertinent part of working environment connections and more extensive human conduct (Guest and Conway, 2002; Rousseau, 1989). Prior discoveries have shown that the psychological contract identified with employee's conduct, for example, career mapping assistance and its fulfillment, is linked to satisfaction and organizational commitment (Sturges, Conway, Guest, and Liefoghe, 2005).

Hence, HRD strategies need to be aligned with the organizational strategies and to facilitate this HRD functions must be appropriate enough to safeguard the purpose of implementing it thus developing a suitable climate helps to achieve the commitment of employees and the HR department as well. Further, it is the top management that has to foster the HRD climate and build a culture of effective implementation of HRD practices and must ensure its effective functioning at a realistic level.

RESEARCH OBJECTIVES

The overall aim of this study is to suggest a comprehensive model to help the steel industry to make a better environment within organizations to improve overall OP. It is expected that this will assist in creating a conducive environment for KM that may have a financial impact by eliminating errors within the process and systems of the organizational working. It will help to build up the best HRD practices that will impact OP through the effective implementation of KM. Specific objectives have been formulated and methodologies have been followed to achieve the stated aim. The specific objectives of the study are as follows:

- To identify the HRD practices being implemented in the Steel industry of India.
- To evaluate the impact of HRD practices on OP in the Steel industry of India.
- To evaluate the mediating effect of KM between HRD practices and OP in the Steel industry of India.
- To suggest strategies to enhance the implementation of HRD practices and KM to enhance overall OP.

HRD PRACTICES

Organizational resources and their efficient utilization have significant importance in building a persistent competitive advantage over others (Barney, 1991). The reason is that the managers possess the limited talent to control all the characteristic and parameters of the organizational dynamics because of which some resources become badly imitable, and thus becomes a potential source of losing competitive advantage. Hence, it becomes important for the managers to be able to understand and describe the potential of organizational resources especially intellectual resource i.e. human resources and nurture them through best HRD practices.

The multidimensional construct of HRD cannot be conceptualized in a single construct (Sung & Choi, 2014), and its conceptualization depends on the objectives of the study. Smith (1988) defined HRD as programs and activities, direct and indirect, instructional, and/or individual, which significantly affect the development of the individual and the profitability of the organization by large. Various components of HRD have been defined by various researchers from time to time like training and development, organizational development, employee assistance programs, career development, Perf management, work-life balance, quality of work-life, etc (Smith, 1988; Smith & Walz, 1984).

Theoretical Frameworks of HRD

Pareek and Rao's Framework

Udai Pareek and T.V. Rao in 1975 recommended a new system of nurturing human capital in organizations when they were appointed by L&T — a prominent engineering company in India to study the Perf appraisal system of the company for improving it. The new system includes various parameters like Perf Appraisal, Potential Appraisal, Feedback and Counselling, Career Development and Career Planning, and Training and Development together called as HRD System to be implemented in organizations for employees to help them to develop in all aspects (Pareek and Rao, 1998).

In another report of Pareek and Rao (1977) on the HRD system, they recommended that the personnel function be considered as Human Resources Function (HRF) and suggested three types of sub-functions n it i.e. Personnel Administration, HRD, and Worker Affairs.

They also recommended that Organization Development (OD) is a part of the HRD function and was added later in the new system, as a new parameter to measure the HRD system.

The Strategic HR Framework

Ulrich and Lake (1990) formulated the strategic HR framework that intends to align HR practices to construct significant organizational competence that facilitates organizations to achieve their goals. This framework offers techniques and ways to recognize how a firm can use its HR systems and processes. A business strategy,

organizational capabilities, and HR practices are the three significant components in this structure. Ulrich (1997) presented a framework for HR professionals in terms of four key roles:

- a. Strategic HR Management.
- b. Infrastructure Management.
- c. Employee contribution.
- d. Transformation and change.

Human Capital Appraisal Approach

Friedman, James, and David (1998) outlined a human capital appraisal approach which promotes five stages in the management of human capital:

- 1) Clarification stage,
- 2) Assessment stage,
- 3) Design stage,
- 4) Implementation stage, and
- 5) Monitoring stage.

HRD Score Card Approach

Rao (1999) formulated the HRD Scorecard approach which proposed that for business effectiveness HR techniques should be established in terms of the HRD structures, skills, culture and business alignment. Through a well-structured HRD audit, the following things can be evaluated:

- a. HR subsystems, structures and competencies must be broad, mature and appropriate enough
- b. The HRD culture (defined in terms of OCTAPACE of Pareek and Rao) and the alignment of the management and employees along with HRD culture within the organization.

People Capability Maturity Model (PCMM) Approach

The PCMM approach was developed in 1995 by Curtis and his team for software organizations. It aims to offer direction on how to enhance the capability of software organizations to attract, develop, motivate, organize, and retain the talent needed to steadily improve their organizational efficiency and effectiveness.

The strategic objectives of this approach are:

- a) Increasing the capability of employees will improving the capability of organizations.
- b) Ensuring the capability of the whole organization against a few individuals.
- c) Aligning objectives of both employer and employees.
- d) Retaining human assets.

THE CONCEPT OF KM

A mix of experience; learning, values, related information and expert understanding is what knowledge is that helps to assess and analyze right and wrong (Gammelgaard and Ritter, 2000). The documents and resources available currently are not the only basis of knowledge, but it is stored in the mind of the individuals based on past experiences and learning's in due course of time and is demonstrated in their work.

A distinctive definition Davenport (1994) suggests that it is the process of attaining, allocating, and effectively using knowledge. Later after few years of the definition given by Davenport, the Gartner Group formulated a new definition of KM, which is the majorly cited (Duhon, 1998), and is as mentioned below:

"KM is an integrated approach that encourages recognizing, attaining, analyzing, recovering and distributing all of the organizations information and knowledge assets. These assets may include databases, documents, expertise and experience of individual employees in the form of both tangible and intangible knowledge"

One important drawback of this definition was that it was inadequate for organization-specific information and knowledge assets. However, KM as a whole is understood now as an extension which includes asset-related information irrespective of source. Nevertheless, the span of coverage applicable for KM is "discipline."

Models of KM

A common outline of KM encompasses certain organizing ideologies. The unlike activity kinds and purposes characterized on the basis of these principles are vital to the work involving knowledge of an organization. These overall frameworks are to be identified in the form of postulates and concepts of KM. Many simulations can be noticed in the literature related to KM. Out of all these models, some models can be very well be smeared in almost any kind of cost-effective organization. All nominated models that will be enumerated further describe the following main characteristics:

- 1) Ability to realize an end to end methodology over KM considering people, processes, organization and technological parameters
- 2) Were investigated/evaluated in KM theories by scholars and professional people
- 3) Models were implemented and tested regarding consistency and legitimacy.

The various KM models as suggested by various researchers are mentioned below

Boisot's Knowledge Category Models

Boisot in the year 1987 established a framework that contemplates knowledge as one or the other codified or un-codified and as diffused or undiffused in an organization. The framework states that there is an extension or dissemination of knowledge transversely through the organization as replicated in the horizontal facet of the model.

Nonaka's KM Model

Nonaka's KM model (Nonaka & Takeuchi, 1995) postulates that knowledge entails tacit and explicit fundamentals. This framework explains that tacit knowledge can be conveyed to others by socializing and can be transformed into explicit knowledge with the help of a recognized knowledge body or through an external process.

Hedlund and Nonaka's KM Model

The simplistic way of knowledge transfer within the organization as suggested by Nonaka's matrix concept is not that easy as it looks. It can be quiet convoluted and difficult nevertheless, a more detailed kind of Nonaka's model was established to explain the four-factor model which acts as a knowledge handling agent within the organizations.

Skandia Intellectual Capital Model of KM

KM apart from being a mode for transformation from tacit and explicit knowledge it is also looked upon as intellectual capital (Chase, 1997; and Roos and Roos, 1997). The intellectual capital ideology of KM was framed by an organization named Skandia from Sweden as a method to measure its intellectual capital. The idea emphasizes the significance of parity, stakeholders and innovation to manage the drift of knowledge across the organization irrespective of borders and networks.

Demerest's KM Model

Demerest's model of KM stress on the creation of knowledge within an organization. The construction of knowledge is not restricted to technical inputs but also relates to the social development of knowledge. The model understates that constructed knowledge is then exemplified within the organization, not just explicitly through engagements rather through a course of social exchange (McAdam and McCreedy, 1999)

Frid's KM Model

Frid's (2003) has divided the KM maturity assessment and its implementation into five phases. These five phases of knowledge start from chaotic, awareness, focused, managed, and centric.

Stankosky and Baldanza's KM Framework

Stankosky and Baldanza (2001) framed KM and means for enablement of aspects like leadership, learning, Organization culture and technology. This model represents that KM comprises different themes like individual and organizational behavior, psychology, HR, management, strategic development, system philosophy, development reengineering, system engineering, cognitive science, communication, computer technologies and software as well as library science.

An Applied Model for KM

Applied models of KM entail that it provides the perception of defining action plans that leads to the transfer of knowledge within the organization and its employees. Usually, it is thought that technology has a very important role in KM. KM can be understood through three standpoints as explained by Alavi and Leidner (2001) i.e. through

- 1) Information
- 2) Technology, and
- 3) Culture

Leavitt's Model of Organizational Change: Developing A KM Culture

For an organization need to implement a KM model, Leavitt's (1965) model of organizational change can deliver awareness and understanding. Leavitt recommends that the value of any change program be it a KM program can only be accomplished by the equilibrium of four organizational subsystems which are technology, structure, tasks and people.

ORGANIZATIONAL PERFORMANCE

It isn't the expectation of this examination isn't just to propose circumstances and logical results connections between organizational actions (HRD practices and KM) and results (Perf), yet rather to build up a comprehensive model that catches more noteworthy data about the actions and results. In this manner, it is basic to comprehend the Perf first before understanding what is implied by organisational performance.

By and large, the possibility of OP relies upon the likelihood that an affiliation is the relationship of advantageous assets, including human, physical, and capital resources, to achieve a common goals (Alchian & Demsetz, 1972; Barney, 2001; Jensen & Meckling, 1976; Simon, 1976).

Various proportions of organizational viability and Perf have been utilized in the management and enterprise research with practically no astute conversation of why the measures utilized in the examinations were picked (Steers, 1975; Capon, Farley, & Hoenig, 1990; Kaplan & Norton, 1992; Murphy, et al., 1996).

Factors influencing OP

Numerous elements impact organizations that are identified with both the objective of the organization and the procedures and approaches embraced to accomplish them. These elements, which set up the course of action, aims, and activities of the association, can be assembled into:

External factors

Factors which are external to the organization and which are uncontrollable and largely influence the processing of the organization are categorized under external environmental factors. They are

- a) Political factors
- b) Economic factors
- c) Socio-economic factors
- d) Political-administrative factors

Internal factors

Factors which are internal to the organization and which are controllable and majorly affect the processing of the organization are categorized under internal environmental factors. They are

- a) Organization strategies
- b) Organizational policies & procedures
- c) Capacity of the organization
- d) Management philosophy

OP Model

There are various models and framework presented by various researchers on OP as discussed below:

Burke & Litwin Model (Causal Model of OP and Change)

It recommends linkages that guess how Perf is influenced by interior and outer dimensions. It presents a framework to assess organizational and environmental dimensions that are keys to fruitful change and it shows how these measurements ought to be connected causally to accomplish a transformation in Perf in positive direction.

IOA (Institutional and Organizational Assessment) Model

One of the most inclusive frameworks for OP Assessment (OPA) is the IOA Model (figure 2.5) that views the Perf of an organization as a multidimensional construct, which includes all dimensions of an organization that defines it in terms of effectiveness, relevance, efficiency, and financial viability.

Measurement of OP

There are various measurement instruments presented and published in literature by various researchers for OP. But before discussion those measures, it is imperative to understand about the factors on which organization's Perf depends on. Those factors are mentioned below:

- 1) Business efficiency
- 2) Productivity of employees
- 3) Objective achievement
- 4) Alignment of business objectives with strategy
- 5) Organizational culture and climate

All of the above mentioned factors together demonstrate the efficiency and effectiveness of an organization and its process and systems.

CONCLUSION & SUGGESTIONS

Hence, after suggesting the impactful strategies to implement HRD practices and KM for significant antecedents, it is understood that all strategies basically rely on one concrete pillar i.e. intention. If the intention of the organization, employer, or boss is good, positive and employee focused, that thinks about the benefits of the employees and that believe that the higher level of Perf can only be achieved by human resource, that believe that HR is an asset then only this strategies will work and hence, the HRD practices can be performed and can be performed effectively which will definitely have positive results of KM implementation and then which will take bigger total effect on OP. Therefore, training & development, career development, Perf development blended with socialization and externalization will lead to better OP as a comprehensive framework suggested by this study that works on steel industry of India specifically, but can be applied to any industry generally.

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