

Integration of Human Resource Management and Supply Chain Management with Special Reference to Knowledge Management

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ABSTRACT

For an organization to be knowledge intensive there should be a bond between HRM, Total Quality Management and knowledge. This relation can develop the performance and can guide to the success of the organization. If knowledge is accumulated and shared professionally in an organization, it produces experienced and skilled workers which automatically lead to the success of the organization. Organizations these days highlight a lot to control knowledge and carry out those actions which involve acquisition, dissemination and creation of knowledge. The main aim of this study is to figure out the linkages between the Human Resource Management and Supply Chain Management with special reference to Knowledge Management and Total Quality Management functions. The methods used by organization to remove and circulate knowledge are also observed. This study also aims at how to make use of knowledge to manage the human resources of an organization effectively.

Keyword: HRM, Supply Chain Management, TQM, knowledge management, organization, functions.

INTRODUCTION

One major trend with the implication for development is globalization. The world is fast becoming one independent global marketplace. With regard to this, the main contributor had been knowledge and skill of the workforce, which has undoubtedly been the key competitive weapon for the 21st century. In today's changing world, knowledge becomes the major factor in creating competitive business environment. ^[1] Scarbrough and Swan (2001) argue that the rise and growth of KM is one of the managerial responses to the empirical trends associated with globalization and post- industrialism. A number of scholars, such as ^[2] Hilsop (2003), Morrow and McElroy (2001), and Moynihan et al. (2001) have argued on the missing link between HRM practices and organization outcomes. According to ^[3] Seng et. al. (2002), the field of knowledge management (henceforth KM) has exploded in the industry since 1990's. It has been marked as the industry's "golden child". Of late, many companies have set up learning centers where employees can share information and knowledge. The transformation of modern world business from production-based economy to a knowledge-based economy has put major implications on the public sector organizations as well.

^[4] Marr & Schiuma (2001) states that Knowledge management is recognized as the fundamental activity for obtaining, growing and sustaining intellectual capital in organizations. As per ^[5] Collins & Clark, (2003), Martin sons (1995), "Human resource practices (HR practices) are the primary means by which firms can influence and shape the skills, attitudes, and behavior of individuals to do their work and achieve organizational goals." The competent and successful Human Resource Management (HRM) and the use of proven HRM practices is job design, recruitment, selection and orientation, performance management, compensation, training and development and can help the organization and its managers to form conditions for well-organized and effective management of workers and their knowledge in the organization ^[6] Martin, Boras, Ljubica (2008). Marr & Schiuma, (2001) viewed that Knowledge management is recognized as the fundamental activity for obtaining, growing and sustaining intellectual capital in organizations. The term knowledge used in the organizational context derives its foundation from the data triad. The various terms used in the triad are as follows:

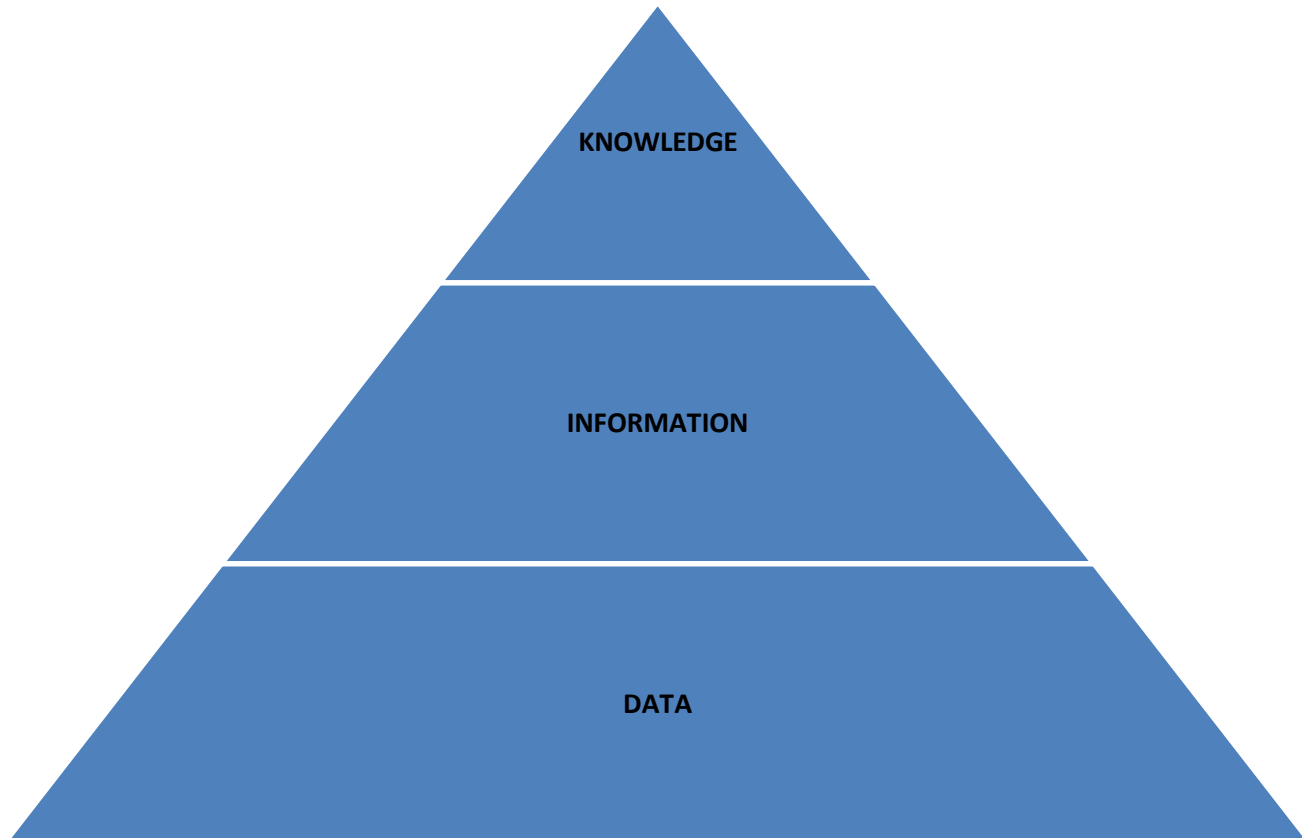


Fig 1- Data Triad

Data: Those facts which are unprocessed, unorganized and which do not take much value for the end user is called data.

Information: Structured and prepared facts which communicate a lot of meaning for the end user is called information.

Knowledge: That information which is assembled and collected over a long time using diverse phases of pragmatic learning.

Moreover Martin (2000) stated that Knowledge is of principal significance for organizations of any size and industry is no more a question, Regardless of the fact that knowledge is not the sole component for an organization's survival, it is the most critical because it supports all others ^[7] Rastogi (2002). For this reason, it is not unexpected that business and academic communities are very intensely concerned in accepting knowledge, and developing knowledge management processes and systems to utilize prospects that knowledge offers to organizations.

The Total Quality Management (henceforth TQM) writing proposes blended examples of overcoming adversity over the business world. However, reports about the high rate of disappointment are predominant, ^[8] Tatikonda and Tatikonda (1996). Because of absence of unmistakable enhancements, the estimation of TQM has been enormously undermined ^[9] Wilkinson et al. (1994). As indicated by ^[10] Lundquist (1995), TQM usage depends on three center components, to be specific, The TQM logic that contains an arrangement of TQM standards; The organizational culture - the present and craved condition of culture that will be reached when the TQM logic is acknowledged; and The execution methodology - the way to deal with understanding the reasoning, that will particularly incorporate the exercises to recognize and balance TQM execution boundaries.

Knowledge Management in organizations

Organizations nowadays focus a lot on the capture of both types of knowledge they are tacit and explicit. Tacit knowledge is what people carry in their minds and we find it difficult to access. Explicit knowledge on the other hand, is what is documented or codifies and can be transferred easily to others. The set of activities which involve creation, acquisition and dissemination of knowledge is referred to as knowledge management. This stream is gaining a lot of focus and attention nowadays as organizations have realized the power and importance of knowledge capture. The processes, procedures, journals, manuals, drawings or any such artifacts come under the category of explicit knowledge. There are times when we are not ourselves aware of the knowledge we possess and also how valuable it can turn out to be if shared with others. The transfer of tacit knowledge mainly happens through personal contact and trust but this is considered to be valuable as it is considered as a resourceful input when it comes to innovations.

Total Quality Management in organizations

Total quality management can be defined as a management system for a customer-focused organization that engages all employees in frequent enhancement. It uses strategy, data, and effective communications to incorporate the quality discipline into the culture and activities of the organization. Each organization is unique in terms of the culture, management practices, and the processes used to create and deliver its products and services. The quality management strategy will then vary from organization to organization; however, a set of primary elements should be present in some format.

Integrated Model of HRM with Supply Chain Management

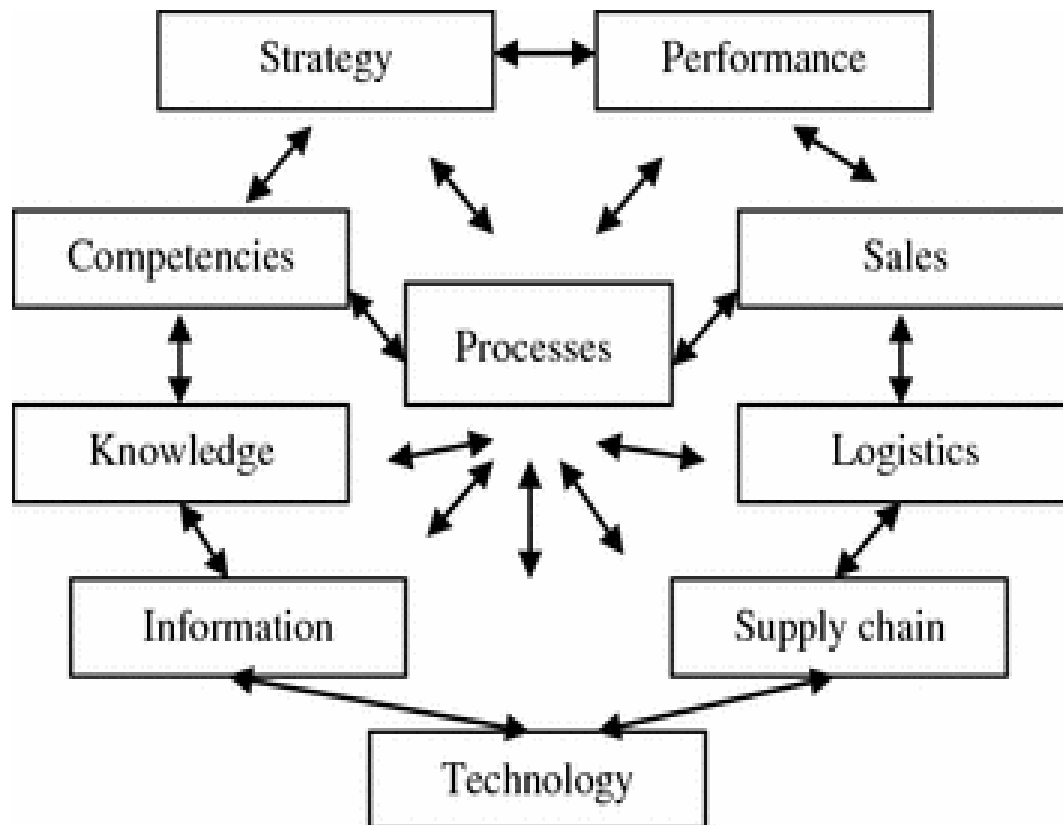


Fig: 2 Integrated Model of HRM with Supply Chain Management

The above model shows the integration of human resource management and supply chain management at every working step. The process gets initiated at the step of technology which shows the potential and future perspective of the organization. The organization in this current era needs the updated ways to attain the necessary information for carrying out business activities in routine days. Then comes the information that is gathered by the people working in the organization by observing various competitors and potential business boosters in the surroundings. Then further more this information is assessed through the observers in that organization for further use. Then the work of managers and supervisors gets started by identifying the competencies in the present information for next step in the supply chain process. Then the involvement of top management comes by framing various strategies according to the assessment of information by identifying various positives and negatives. After framing various strategies, plans, frameworks and structures the managers and the assessors start in the implementation of such strategies so as to achieve the desired results by proper commitment of the workers in the production phase. Then comes on the sales perspective of the process the human resource committed in the marketing identifies every possible opportunity to raise its standards of sale in order to attain the marketing advantage. After that the process comes to logistics which involves shipment to the customers and to and fro of the inventory required for the sales which requires proper assessment of knowledge from the managers and supervisors in order to maintain the demand and supply of the potential customers. This stage is followed by the essential logistics supply chain management which involves location, layout and transportation like functions under it. Thus, there is proper requirement for observation of knowledge management so as to attain total quality management. All the above mentioned phases are directly or indirectly affecting the whole supply chain process and in turn each phase is dependent on each other for its proper implementation.

Integration of HR functions and Knowledge Management

An appropriate knowledge management system can be extended by capable human resources. The technique in which quantity is used on knowledge management system must be based on the reason associated to it. Knowledge management should be enclosed in such a way that it is requisite to work out the authentic problems in the organization. To be aware of the problems and resolving is more imperative than choosing the tools to be used to resolve it. ^[11] Evans (2003), Carter and Scarborough (2001) Currie and Kerrin (2003) Hunter et al (2002), have disagreed that knowledge is dependent on people and that Human Resource Management issues, such as recruitment and selection, pay and reward, education and development, performance management, as well as the creation of a learning culture are very important for running knowledge inside firms. The association between knowledge management and human resource management is explained in the figure.3 given below.

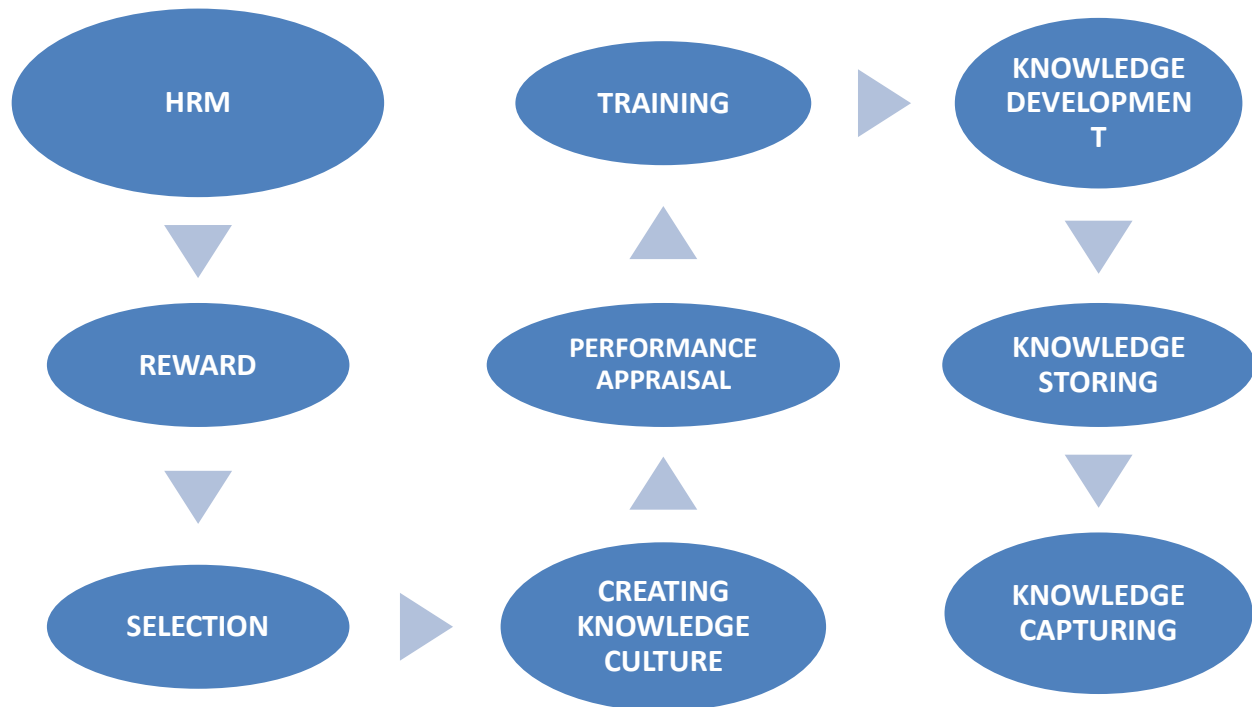


Fig 3: INTEGRATION OF HRM AND KNOWLEDGE MANAGEMENT

[12] Chen & Huang (2007) stated that, “When firms build up and launch new product, new method and/or new organizational practices, they need original and creative employees, who are flexible, risk taking, and tolerant of uncertainty and ambiguity.” The long-established recruitment and selection practices can even hamper knowledge sharing between groups or departments in firms organized according the functional principle, Currie and Kerrin (2003). An inspiring situation where in all the employees synchronize and communicate with each other, their knowledge, skill and aptitude can manufacture an organization with uniqueness and easiness. Candidates with the constructive approach to knowledge distribution have to be preferred for the enhancement of company’s performance. Evans (2003) disagree for altering the interview and selection processes so that they assemble confirmation about individuals’ knowledge-building behaviors. Some of the studies emphasize the significance of a fit between new recruits and the organization’s knowledge culture. ^[13] Kristof (1996), Judge and Cable (1997) thus analyzed that these studies are, connected to the person-organisational fit literature within Human Resource Management, stressing a fit between organisational culture and appointing of an appropriate character, as well as the socialization of individuals into the culture of the firm.

Furthermore, Knowledge should be structured in such a way that an environment is to be formed where organization’s rules and guidelines are united to the mission and the beliefs assertion of the organization. A culture has to be developed that knowledge is shared for the betterment of the company. Evans (2003) stresses the function of HR managers in helping their organization to develop an organisational culture that sustains knowledge structure and distribution. A positive and constructive culture is required where information is accessible at any time, without any partiality at the right time. It is mandatory to have a constant support and enthusiasm to the employees for producing an environment of knowledge sharing and to build up a culture allied to it. ^[14] Iles et al. (2001), Dobrai (2004) stated that a permanent screening and rewarding

system or some way of identification or membership is essential primarily to sustain the knowledge culture that is brought in. A supportive, collaborative organizational culture is vital from the viewpoint of knowledge formation and distribution. Technology plays a chief role in creating and publishing knowledge. Therefore it can be calculated as an indispensable element of knowledge management. A planned approach is required to progress, sustain and restrain the use of technology associated to knowledge formation. A drawback interconnected to the excess rely on technology may guide to underutilization of tacit knowledge. Presently social contacts are restricted with the use of technology and that face to face relation is gradually fading. Thus it is found that the way in which knowledge is formed, stockpiled and shared has also been inclined by the technology. This has produced the concern of privacy and secrecy. There is no ambiguity from the earlier sections that knowledge management is strongly interconnected to human resource management functions. The accomplishment of the organization is related to the approach in which the knowledge is exploited properly in the organization.

CONCLUSION

The human resource functions must be planned in that way so that knowledge features are taken care and knowledge should be created, accumulated and distributed. The candidates should be prepared to adopt the cultures prevailing in the organization and they should enhance their skills, abilities through this knowledge. Performance of the candidates should be clear and should be appreciated. Moreover a regular feedback should be an inspiration for the employees and for their betterment. Those employees whose performance will be better as per your vision and through feedback should be rewarded.

Ideas and suggestions of the employees should be welcomed in an organization, because some of their new ideas should be very beneficial for the future of the organization. Also training and development programs or induction programs should be provided in an organization. That will result to improve and enhance the existing knowledge, skills and abilities. There should be support and guidance from the top level management. Apart from the favorable culture, employee supporting policies, latest technologies and up to date knowledge must be in an organization. In addition to that, Total Quality Management is accepted as a key support function in most of the organizations, but many streams including academia have not yet realized its importance. More power should be given by the organizations to promote this field and also to make public aware about its importance.

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