

Relationship between Strategic Human Resource Management and Knowledge Management Practices in Selected Fast Moving Consumers Goods (FMCG) Industries in Nigeria

1.Dr. Edward G. Eromafuru,

2.Egbule A. C. Solomon &

3.Bridget Ibobo

Department of Business Administration

Delta State University Abraka,

(soky4real@gmail.com)

pp 56-66

Abstract

The study is aimed at assessing the relationship between Knowledge Management practices, strategic human resource management and organizational effectiveness in selected Fast Moving Consumers Goods (FMCG) industry in Lagos and Ibadan. A total of 285 set of questionnaire was distributed and 255 was retrieved and analyzed. The questionnaire for KM practice and KMI was adopted from Gold et al., (2001) while the questionnaire for the constructs of SHRMA scale was adopted from Armstrong (2012). Multiple regression was employed. It was found that KMA acquisition Process exhibited positive relationship with organizational effectiveness ($\beta=.112$, $P=0.003$), KM Conversion Process ($\beta=.131$, $P=0.001$), KM Application Process ($\beta=.345$, $P=0.010$), Cultural Knowledge Management Infrastructure ($\beta=.211$, $P=0.004$), Structural Knowledge Management Infrastructure ($\beta=.134$, $P=0.020$), Recruitment/Selection ($\beta=.435$, $P=0.000$) and Total Reward System ($\beta=.511$, $P=0.000$). The results indicate that strategic human resource practices, Cultural Knowledge Management Infrastructure and Structural Knowledge Management Infrastructure mediate between KM activities and organizational effectiveness. The study concluded that in order for an organization to be effective in its performance, successful and gain competitive edge over its counterparts in the industry, attention must be paid, not only on the processes, but on knowledge and its employees in the organization. The study thus recommends that the SHRM activities of recruitment/selection and total reward system should be encouraged and sustained within the organization to encourage knowledge sharing, along with appropriate infrastructure and a good and vibrant culture to propel KM practice within the organization.

Keywords: *Knowledge Management, knowledge sharing, knowledge acquisition, Organizational effectiveness.*

Introduction

Fast information transfer across large geographic areas with the enablement of the Internet has resulted to Globalization – turning the world to a global community. The consequence of this globalization is the emergence of knowledge-based economies where importance is placed on effective management of human capital to ensure that workers continue to create the right value for the economy. Most recently, organizations no longer compete solely on the basis of financial capital and strength, rather knowledge is the new competitive advantage in business. In fact the Gross Domestic Product (GDP) growth rate is now determined, amongst other factors, by the quantum and quality of knowledge stock created, harnessed and applied in the production process in the manufacturing sectors of the economy (Omotayo, 2015).

The manufacturing industry in Nigeria is characterized by its culture of change resistance resulting from adoption and diffusion of innovative approaches and knowledge. This culture is then embedded in these organizations that collectively form the industry, which is the reason why most organizations are not only slow to absorb new innovative knowledge, but are also slow in harnessing the intellectual capital available to them in order to produce innovation that is needed for effective business performance (Barthorpeet *al.*, 2000 and Egbuet *al.* 2001) in (Tayyab, 2006).

The essence and brain behind the concept of KM is that it is made up of sets of strategies and practices in order to obtain/capture, create, store and disseminate experience and knowledge within the confine of the organization. Knowledge is more efficient and valuable than nature assets and the organizations that possess the best information or maintain it will be the most successful in this age (Stewart, Kristoffersson and Wiberg 1999). Therefore KM is a veritable tool needed for organizations to gain competitive advantage in a competitive business sphere.

Organization's ability to harness knowledge management in an effective manner to their advantage and continue to learn from its business environment is believed to be a potential source

for achieving a sustainable competitive advantage and effective performance (Waddell and Stewart, 2008; Werr et al., 2009; Zack et al., 2009) as cited in (Moses, Joseph and Augustine, 2010).

Human Resource Management (HRM) practices can influence or have a direct impact on workers' attitudes towards and participation in KM activities (Hislop, 2013). The use of HRM practices can create a positive attitude towards, and a willingness to participate in, organizational KM activities. This is important because, if employees are not committed to their organizations, there is a risk of losing knowledge possessed by the employees through staff turnover. Recruitment and selection processes by organizations can be a means to support KM activities by recruiting people whose values are compatible with the existing organizational culture and whose personalities are conducive to knowledge sharing (Swart and Kinnie 2003: Robertson and Swan 2003; Chen, H, Wang and Lin 2011) in (Omotayo, 2015) and found that recruiting people whose values are aligned with those of the organization was an important factor in the success of the companies they studied.

For a considerable period of time the manufacturing sector in Nigeria has experienced low productivity levels and minimal contribution to the GDP of Nigerian economy. However, this is due to the fact that in the past knowledge was treated like something trivial, something that always existed and taken for granted (Olusanya, 2013). Nigerian Association of Chambers of Commerce, Industry, Mines and Agriculture (NACCIMA, 2012) in their annual report showed that more than eight hundred (800) manufacturing firms in Nigeria goes under (wind up) within the period of 2009-2011, and the cause for the closure of these manufacturing companies was predominantly changes in the business environment.

In the opinion of Onuoha (2012) the closure of these manufacturing companies was as a result of inefficient patronage of their products locally and internationally, this may have been as a result of lack of good knowledge management because there appeared to be however reluctance to share information within departments in these

manufacturing firms, or seek help from individuals workers who had expertise relevant to the problem at hand.

Integration of a knowledge management strategy into the organizational strategic approach may be unclear due to absence of experts in SHRMA that provides the required leadership and direction in terms of appropriate selection procedures, training and development and provision of effective reward and recognition strategies that motivate knowledge workers to share knowledge within the organization that promotes organizational effectiveness. Therefore, the objective of the study is to examine the **relationship that exist between strategic human resource management activities and knowledge management practice in achieving organizational effectiveness**

Review of Literature

Explicit and Tacit Knowledge

Knowledge is either explicit or tacit (Takeuchi, 1995). Explicit knowledge can be codified - it is recorded and available and is held in databases, in corporate intranets and intellectual property portfolios. Tacit knowledge exists in people's minds. It is difficult to articulate in writing and is acquired through personal experience. As suggested by Hansen et al (1999), it includes scientific or technological expertise, operational know-how, insights about an industry and business judgment. The main challenge in knowledge management is how to turn tacit knowledge into explicit knowledge.

KM and its Processes

Knowledge was defined as what people understand about things, concepts, ideas, theories, procedures, practices and 'the way we do things around here' (Amstrong, 2012). Nonaka (1991) and Blackler's (1995) in Amstrong (2012) affirmed that knowledge is held either by individuals or collectively and that in terms, embodied knowledge is individual and embedded, but cultural knowledge is collective. Knowledge management is concerned with storing and sharing the wisdom, understanding and expertise accumulated in an organization about its processes, techniques and operations (Amstrong, 2012). Amstrong stressed that it involves transforming knowledge resources by identifying relevant information and then

disseminating it so that learning can take place. The strategies of KM essentially promote the sharing of knowledge by linking people with people and by linking them to information so that they learn from documented experiences.

The four (4) basic processes of KM includes: knowledge creation, knowledge storing, knowledge sharing and knowledge application (Alavi and Leidner, 2001).

Knowledge Creation/Generation

KM starts and ends with people, hence it is therefore pertinent to consider how people will be managed, motivated in KM strategy and implementation so as to achieve the goals of KM. People face emergent knowledge needs as part of daily assignment or routine. And these needs should be met through tools, processes, systems and protocols to seek integrate and apply relevant knowledge (Omotayo, 2015)

The people-oriented approach to knowledge creation argues that knowledge can be only created by individuals (Wickramasinghe, 2006). Many leading theorists in knowledge creation and management, and organizational learning assert that knowledge is created by individuals and cannot be created by organizations (Crossan et al., 1999; Grant, 1996; Polanyi, 1966) as cited in (Omotayo, 2015).

Knowledge Storing

Research has shown that organizations not only create new knowledge but they also forget or lose track of the acquired knowledge if not stored (Argote, Beckmann and Epple, 1990, Darr, Argote and Epple, 1995) as cited in (Alavi and Leidner, 2001). In the line of the above, effective ways to organize and store knowledge have to be discovered (Grant, 2005), and stored in organizational memory (Stein and Zwass, 1995) which includes physical resources (like written documentation, structured information stored in electronic databases, codified human knowledge stored in expert systems, documented organizational procedures and processes) as well as non-physical sources (knowledge stored in the heads of the employees - also referred as individual memory) (Alavi and Leidner, 2001). Organizational memory can have both positive and negative potential influences on behaviour and performance of an organization (Alavi and

Leidner, 2001). Organizational memory helps to avoid the waste of organizational resources in replicating previous work and diminishes the loss of tacit knowledge (Simon, 1991).

Knowledge Sharing

The HR plays a vital role with regards to knowledge sharing. Knowledge creation or generation is followed by knowledge storing, there after knowledge sharing or knowledge dissemination – which represents another vital KM process. It is not just enough to create knowledge and store knowledge, there must be an intention to use and share it (Dixon, 2000). Syed-Ikhsan and Rowland (2004) believe that knowledge dissemination or transfer requires the willingness of a group or individual to work with others and share knowledge to their mutual gain/benefit. This is where HR comes in, to consciously or unconsciously encourage the share and disseminate of knowledge to the benefit of the organization. Without sharing, it will be impossible for knowledge to be transferred from person or group to another within the organization. Knowledge transfer can only take place in an organization where its employees display a high-level of co-operative behaviour (Goh, 2002) and are well motivated to do so. Knowledge transfer involves: the transmission and the absorption by that person or group.

Knowledge Application

The last of the four main KM processes identified through the literature and to be discussed is knowledge application. The assumption that the source of competitive advantage resides in the application of the knowledge rather than the knowledge itself, is an important aspect of the knowledge-based theory of the firm (Alavi and Leidner, 2001, Grant, 1996b). Grant (1996b) identifies three key mechanisms for the integration of knowledge in order to create organizational capability (Alavi and Leidner, 2001): Directives, Organizational routines and Self-contained task teams.

KM Infrastructure

Knowledge management refers not only to managing the KM processes described in the

previous sections, but also to managing and creating an organizational structure and culture that facilitates and encourages the creation, storing, sharing and application of knowledge that enables a corporate strategic advantage (Walczak, 2005). If organizations introduce a knowledge management initiative without having a managerial support structure in place, they will soon find that the investment in knowledge management does not produce the benefits they strived for (Goh, 2002; Nahm, Vonderembse and Koufteros, 2004; Swan, Newell and Robertson, 2000; Walczak, 2005; Zammuto, Gifford and Goodman, 2000) as cited in Zaim et al. (2007)

Human Resources and Knowledge Management

Knowledge management is more concerned with people and how they acquire, exchange and disseminate knowledge than it is about information technology. That is why it has become an important area for HR practitioners, who are in a strong position to exert influence in this aspect of people management.

In the contemporary business environment, the competitive position of companies among others is influenced by its capability to create new knowledge which in return results in the creation of a competitive advantage. Organizational learning is an integrative characteristic of most companies although not all of them are able to utilize it for the creation of an improved performance. Organizational knowledge and knowledge management and interconnected and both are widely dependent on human resources (Brikend, et al., 2013).

KM and HRM strategies

The codification and personalization strategies help the HRM to frame the management practices of the organization as a whole, as outlined in Table 1.

Table 1: Knowledge Management Strategies

	Codification Strategy	Codification Strategy
General Strategy	Develop an ICT system that codifies, stores, disseminates and allows re-use of knowledge	Develop networks for linking people so that tacit knowledge can be shared
Use of ICT	Invest heavily in ICT	Invest moderately in ICT
Human Resources: Recruitment and Selection	Hire new college graduates who are well-suited to the re-use of knowledge and the implementation of solutions	Hire MBAs who like problem solving and can tolerate ambiguity
Training and Development	Train people in groups and through computer-based distance learning	Train people through one-to-one
Rewards Systems	Reward people for using and contributing to document databases	Reward people for directly sharing knowledge with others

Source: Hansen, Nohria and Tierney (1999) in Ingi (2004).

The role of HR is to ensure that the organization has the intellectual capital its needs. The resource based view of the firm emphasizes, in the words of Capelli and Crocker-Hefter (1996) as cited in (, 2012) that the distinctive human resources practices help to create unique competences that differentiate products and services and in turn, drive competitiveness'.

HR can contribute by providing advice on culture management, organization design and development and by establishing learning and communication programmes and systems. There are 10 ways of doing this (Armstrong, 2012):

1. Help to develop an open culture in which the values and norms emphasize the importance of sharing knowledge.
2. Promote a climate of commitment and trust.
3. Advise on the design and development of organizations that facilitate knowledge sharing through networks, teamwork and communities of practice.
4. Advise on resourcing policies and provide resourcing services that ensure that valued employees who can contribute to knowledge creation and sharing are attracted and retained.
5. Advise on methods of motivating people to share knowledge and rewarding those who do so.
6. Help in the development of performance

management processes that focus on the development and sharing of knowledge.

7. Develop processes of organizational and individual learning that will generate and assist in disseminating knowledge.
8. Set up and organize workshops, conferences, seminars, communities of practice and symposia that enable knowledge to be shared on a person-to-person basis.
9. In conjunction with IT, develop systems for capturing and, as far as possible, codifying explicit and tacit knowledge.
10. Generally, promote the cause of knowledge management with senior managers to encourage them to exert leadership and support knowledge management initiatives.

The Knowledge-based Theory of the Firm

The increasing interest in knowledge as the most valuable asset of companies led to the development of the knowledge-based theory of the firm (Drucker, 1994). The more recently developed resource-based view of the firm explains firm differences by means of the cost of imitating or acquiring resources which give other firms a competitive advantage. The resource-based view argues that a firm's advantage over its competitors originates from the use of valuable, hard-to-imitate and hard-to-substitute assets (Nonaka et al., 2006).

It was suggested by authors that the primary reason for the existence of the firm is its superior ability to integrate multiple knowledge streams, for the application of existing knowledge to tasks as well as for the creation of new knowledge (Sabherwal and Becerra-Fernandez, 2003; Conner and Prahalad, 1996; Grant 1996a, 1996b; Kogut and Zander, 1992) in (Patton, 2007). Grant (1996a) argues that competitive advantage is based on the firms' ability to integrate the individual's specialized knowledge. Furthermore, in seeking to explain why firms differ, the knowledge-based view of the firm also accounted for the empirical fact that profit is just one of a firm's special purposes (Nonaka et al., 2006). This theory is based on certain premises regarding the nature of knowledge and its role within the firm; it explains the rationale for the firm, the delineation of its boundaries, the nature of organizational capability, the distribution of decision-making authority and the determinants of strategic alliances.

The knowledge-based view of the firm holds that knowledge is the main resource for a firm's competitive advantage. Knowledge is the primary driver of a firm's value. Bock *et al.* (2005) found that extensive knowledge sharing within organizations still appears to be the exception rather than the rule. This theory emphasises the supremacy of knowledge in any organization (Grant, 1996).

Hislop (2013), in a study titled 'three shapes of organizational knowledge'. The study aimed at developing a typology of knowledge that may be fruitful in facilitating research in a knowledge-based view of production. The findings showed that differences between the tacit, codified and encapsulated shapes of knowledge carry strategic implications for the firm along six important dimensions, which include locus or knowledge substrate, transferability, expression, acquisition process, source of economic value, and observability..

Empirical Review

Chung-Jen and Jing-Wen (2007) examines the role of knowledge management capacity in the relationship between strategic human resource practices and innovation performance from the knowledge-based view. This study uses regression analysis to test the hypotheses in a

sample of 146 firms Taiwanese firms listed in the yearbook published by the China Credit Information Service Incorporation. The results indicate that strategic human resource practices are positively related to knowledge management capacity which, in turn, has a positive effect on innovation performance and organizational effectiveness. His findings provide evidence that knowledge management capacity plays a mediating role between strategic human resource practices and innovation performance.

Burcu and Ceyda (2013) examine the relationship between effective knowledge management processes and innovation types in organizations as well as shedding light on the mediating effect of innovativeness on the link between knowledge management process and innovation types. Survey data collected from a survey sample of 103 participants in Turkey. The result concluded that knowledge management processes (i.e., knowledge acquisition, sharing, and application) have been considered as effective means of promoting an innovative culture and facilitating different types of innovation in organizations.

Shiaw-Tong, May-Chiun and Yin-Chai (2015) observed that SMEs play a vital role in the economy by carrying out research on the relationship between knowledge management and organizational performance in the context of Malaysian SMEs. The study concluded that the KM processes capability antecedents such as KM acquiring, conversion, application and protections are important of organizational performance positively. And He recommended that the growing importance of knowledge has motivated businesses to adopt knowledge management as an important practice in developing their business strategies. In order to further convince businesses to apply knowledge management, businesses should have a better understanding on the consequences of implementing knowledge management. This study is expected to provide insights to the businesses by demonstrating the empirical evidences of the relationship between knowledge management capabilities and organizational performance.

Jelena ,Vesna and Mojca (2012) prove that

Knowledge management is a process that transforms individual knowledge into organizational knowledge. The study is to examine the impact knowledge management on organizational performance. The aim of the study shows that through creating, accumulating, organising and utilising knowledge, organisations can enhance organizational performance. The impact of knowledge management practices on performance was empirically tested through structural equation modelling. The sample included 329 companies both in Slovenia and Croatia with more than 50 employees. The results show that knowledge management practices measured through information technology, organization and knowledge positively affect organisational performance.

Reisi et al. (2013) conducted a study, the objective was to investigate the relationship between individual dimensions of knowledge management process capability and organizational effectiveness among selected sport organizations in Iran. Multi-variant regression analysis was Employed, their results showed that all dimensions of knowledge management capabilities studied - (knowledge acquisition, knowledge conversion, knowledge application, and knowledge protection) have direct and a significant relationship with organizational effectiveness. They further suggested that knowledge and learning activities are necessary for organizations to improve their effectiveness. Their study did not considered the mediating role of knowledge infrastructure and effective SHRM activities in motivating employees towards knowledge sharing and thus facilitating KM objective.

On the other hand, Mills and Smith (2011) conducted a study in Jamaica to examine the relationship between knowledge management capability and organizational performance. They found that knowledge acquisition, knowledge application, and knowledge protection are positively related to organizational performance, but not knowledge conversion. They argued that the relationship between knowledge management and performance is complex which, each knowledge management process is not

necessary directly linked to performance even they are found to be correlated to performance from a composite model.

Hammandy, Rabeh, Jimenez-jimenez and Martinez-costa,(2013) studied managing knowledge for a successful competence exploration using a sample of 249 Spanish industrial companies. The results show that organizational absorptive capacity and the firm's old knowledge positively affect exploitation of existing opportunities. In relation to the interaction between internal exploitation and firm performance, the results show a positive and significant effect. They concluded that effective knowledge management is vital for a successful competence exploration

Methods

This study involved a survey of consumers of 5 Fast Moving Consumers Good (FMCG) industries in Lagos and Ibadan metropolis of Nigeria. Nigeria Bottling Company (NBC), Nigeria Breweries, Guinness Nigeria Plc. De United Foods Industry Limited (DUFIL), and **Promasidor Nigeria Limited**. Based on Yamani's formula of sampling, the sample was determined to be composed of 285 out of a population of 1000 management staff. The structured questionnaire designed for this study had three sections (A and B). Questions in section A total of 285 set of questionnaire was distributed. The questionnaire for KM practice and KMI was adopted from Gold et al., (2001) (with scaled of a five (5) point adjusted Likert's scale) with good reliability of Cronbach's alpha above .80 was employed, while the questionnaire for the constructs of SHRM scale was adopted from Amstrong (2012). Correlation analysis was employed along with multiple regression to test the hypothesis. This was appropriate because it is a test of relationship between the explained and the explanatory variables so as to ascertain the most predicted variable.

Hypothesis

H0: There is no significant positive relationship between strategic human resource management activities and KM practice in achieving organizational effectiveness.

Results

The result shows that 1, 139 (54.5%) were males and 116 (45.5%) were females. This indicates that the male were more in number than the female respondents. The age distribution of respondents which was spread across various age brackets shows that the highest concentration of respondents fell within the age bracket of 41-50 years 102(40%) of respondents. The categories of respondents between 18-30years accounts for 32(12.5%). 85(33.3%) of the respondents fall under 31- 40years, while 36 (14.2%) were above 50years. The table also indicates the marital status of the respondents. It was observed that 170(66.7%) of the respondents were married,

while 85(33.3%) were single.

The table shows that greater part of the respondents 139(54.5%) had HND/B.Sc., ND/NCE holders account for 47(18.4%), those respondents that possess MBA/M.Sc., were 34(13.3%). 17(6.7%) of the respondents indicated that they were WAEC/GCE/NECO holders and those with other qualifications accounted for 18(7.1%) of the respondents. In terms of the categories of the respondents. It reviewed that 127(49.8%) of the respondents were sales managers while 128 (50.2%) were non-sales managers.

Table 2:Correlation table

Variable	Mean	S.D.	1	2	3	4	5	6	7	8
1. Knowledge Management Acquisition Process	2.15	.70	(.81)							
2. Knowledge Management Conversion Process	2.22	.81	.577**	(.85)						
3. Knowledge Management Application Process	2.00	.78	.686**	.786**	(.77)					
4. Cultural Knowledge Management Infrastructure	4.31	.73	.984**	.791**	.490**	(.87)				
5. Structural Knowledge Management Infrastructure	3.57	.67	.863**	.581**	.281**	.796**	(.79)			
6. Recruitment/Selection	3.27	.85	.597**	.456**	.389**	.866**	.781**	(.79)		
7. Total Reward System	2.97	.77	.617**	.555**	.592**	.643**	.721**	.587**	(.86)	
8. Organizational Effectiveness	3.16	.87	.554**	.335**	.682**	.345**	.613**	.587**	.845**	(.88)

n = 300; r > .14, p < .05 (two-tailed). Numbers in bracket listed in the diagonal are coefficient alpha reliabilities for the constructs.

The correlation Table 2 showed the mean, standard deviation and that the item are positively correlated.

Coefficient^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	87.762	6.825		13.634	2.122
Knowledge Management Acquisition Process	.112	.021	.224	-2.133	.003
Knowledge Management Conversion Process	.131	.011	.261	-8.172	.001
Knowledge Management Application Process	.345	.032	.534	-3.551	.010
Cultural Knowledge Management Infrastructure	.211	.018	.412	-3.455	.004
Structural Knowledge Management Infrastructure	.134	.022	.214	-4.521	.020
Recruitment/Selection	.435	.003	.421	-3.563	.000
Total Reward System	.511	.029	.712	-5.236	.000

a. Dependent Variable: Organizational Effectiveness
Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin Watson
	.789 ^a	.623	.621	1.506	1.973

a. Predictors: (Constant), KM Practice

ANOVA^a

Model	Sum of Square	df.	Mean Square	F	Sig.
Regression	11012.112	4	2753.028	63.741	.000 ^a
Residual	10797.75	250	43.191		
Total	21809.862	254			

a. Predictors: (Constant), KM Practice

b. Dependent Variable: Organizational Effectiveness

Coefficient Table above from regression analysis, reported that Knowledge Management Acquisition Process exhibited positive relationship with organizational effectiveness ($\beta=.112$, $P=0.003$), Knowledge Management Conversion Process ($\beta=.131$, $P=0.001$), Knowledge Management Application Process ($\beta=.345$, $P=0.010$), Cultural Knowledge Management Infrastructure ($\beta=.211$, $P=0.004$), Structural Knowledge Management Infrastructure ($\beta=.134$, $P=0.020$), Recruitment/Selection ($\beta=.435$, $P=0.000$) and Total Reward System ($\beta=.511$, $P=0.000$).

The β value shows the effect of KM practice on organizational effectiveness. Thus providing the bases for rejecting the null hypothesis and accepting the alternate.

The study further shows the role of strategic human resource activities (recruitment/Selection and Total reward system), indicating their high effect on organizational effectiveness - Recruitment/Selection ($\beta=.435$, $P=0.000$) and Total Reward System ($\beta=.511$, $P=0.000$). The model summary above shows the changes in organizational effectiveness brought about by the effect of KM practice. As indicated, .621(62.1%) of the change in organizational effectiveness is explained by KM practice. The F -ratio in the ANOVA table above tests whether the overall regression model is a good fit for the data. The table shows that the independent variables statistically significantly predict the dependent variable, $F(4, 250) = 63.741$, $p < .0005$ (i.e., the regression model is a good fit of the data).

Discussion of Findings

The result of the study showed that there is significant positive relationship between KM practices and organizational effectiveness. This

is in accord with (Reisi et al. 2013) who found that there is significant positive relationship between the dimensions of knowledge management process capability (knowledge management acquisition process, knowledge management conversion process, knowledge management application process and knowledge management protection process) and organizational effectiveness have direct and a significant relationship.

The results also show that SHRMA (recruitment/selection and total reward system) positively influence and mediate between KM practice and organizational effectiveness.

This is supported by (Chung-Jen and Jing-Wen, 2007), that strategic human resource practices are positively related to knowledge management capacity which, in turn, has a positive effect on innovation performance and effectiveness.

Conclusion

Managing, creation or generation, sharing and utilization of knowledge effectively is so important for organizations to gain competitive advantage and take full advantage of the value of knowledge which will in turn make the organization to be unique, resulting to effective performances. In order for organizations to manage knowledge effectively, serious attention must be paid to the people, processes and culture so as to ensure organization's effective performance and success. Many organizations have been managing knowledge for decades not recognizing the role of SHRMA. Hence to implement a successful KM strategy, the creation, organization, sharing and application of knowledge must be anchored by HR and taken seriously.

The study concluded that in order for an

organization to be effective in its performance, successful and gain competitive edge over its counterparts in the industry, attention must be paid, not only on the processes, but on knowledge and its employees (workforce) who are the sources of knowledge in the organization.

The study thus recommends that the SHRM activities (recruitment/selection and total reward system) should be put in place, encouraged and sustained within the organization to encourage knowledge sharing, along with appropriate infrastructure and a good and vibrant culture to propel KM practice within the organization. And organizations should **institute knowledge management policy to guide KM practice within the organization.**

Reference

- Alavi, M. and Leidner, D.E. (2001). Review: knowledge management and knowledge management systems: conceptual foundations and research issues. *MISQuarterly*, 25(1), 107-136.
- AmstrongM. (2012) *Armstrong's Handbook of Human Resource Management Practice*. 12th ed. UK. Kogan.
- Brikend A, Nexhbi V, Sadudin I (2013) **Human Resources and Knowledge Management. Knowledge management & Innovation international conference.**
- Bukh P, Nikolaj D, Christensen D, Skovvang K and Mouritsen J (2005). *Knowledge management and intellectual capital: establishing a field of practice*. Palgrave Macmillan.
- Chun-ming, C., Meng-hsiang, H., and Chia-hui, Y. (2012), Factors affecting knowledge management success: the fit perspective. *Journal of Knowledge Management*, 16 (6), 847-861.
- Dixon, N.M. (1999). *The Organisational Learning Cycle: How We Can Learn Collectively*, 2nd edition. Aldershot: Gower.
- Goh, S.C. (2002). Managing effective knowledge transfer: an integrative framework and some practice implications. *Journal of Knowledge Management*, 6(1), 23-30.
- Gold A. H, Arvind; Albert H. S (2001) **Knowledge management: An organizational capabilities perspective** *Journal of Management Information Systems*; 18(1) 185-214.
- Grant, R. M. (1991), Toward a knowledge-based theory of the firm. *Strategic Management Journal*, 17 (5), 109-122.
- Hammandy, A., Rabeh, D., Jimenez-jimenez, D. and Martinez-costa, M. (2013), Managing knowledge for successful competence exploration. *Journal of Knowledge Management*, 17 (2), 196-207.
- Hansen, M.T., Nohria, N., and Tierney, T. (1999). What's your strategy for managing knowledge? *Harvard Business Review*, 77(2), 106-116.
- Hislop, D. (2013). *Knowledge management in organisations: A critical introduction*. 3rd Ed. UK: Oxford University Press.
- Holzmann, V. (2013). A meta-analysis of brokering knowledge in project management. *International Journal of Project Management*, 31(1), 2-13.
- Hutchinson K and Quinn B (2005). "The internationalisation of small to medium-sized retail companies: towards a conceptual framework", *Journal of Marketing Management* Vol. 21 No. 1. Pages 149-179.
- Iulia C and Dan P (2008) **Human Resources Management in the Knowledge Management** *Revista Informatica Economica*, nr. 4(48) Pp. 54-61.
- Jimenez-Jimenez, D., & Sanz-Valle, R. (2013). Studying the effect of HR practices on the knowledge management process. *Personnel Review*, 42(1), 28-49.
- Juan Carlos Bou-Llugar, Mercedes Segarra-Ciprés, (2006) "Strategic knowledge transfer and its implications for competitive advantage: an integrative conceptual framework", *Journal of Knowledge Management*, Vol. 10 Iss: 4, pp.100-112.
- Jugdev K and Muller R (2005). "A retrospective look at our evolving understanding of project success", *Project Management Journal* Vol. 36 No. 4. Pages 19-31.
- Moses T. K, Joseph M. N² and Augustine A, (2010). **Knowledge management and competitive advantage: The interaction**

- effect of market orientation.** *African Journal of Business Management* Vol. 4(14), pp. 2971-2980, Available online at <http://www.academicjournals.org/AJBM>.
- Nguyen, T.N.Q, (2010), '*Knowledge management capability and competitive advantage: an empirical study of Vietnamese enterprises*', PhD thesis, Southern Cross University, Lismore, NSW.
- Nonaka I and Takeuchi H (1995). *The knowledge-creating company*. Oxford University Press: Cambridge.
- Omotayo, F. O (2015) "Knowledge Management as an important tool in Organisational Management: A Review of Literature". *Library Philosophy and Practice (e-journal)* . Paper 1238 . <http://digitalcommons.unl.edu/libphilprac/1238>.
- Sanchez R (2005). "Knowledge management and organizational learning: Fundamental concepts for theory and practice." *Working Paper Series No 3*.
- Shaxson, L.J., & Gwynn, E. (2010). *Developing a strategy for knowledge translation and brokering in public policymaking*. Paper from Knowledge Translation and Brokering workshop, Montreal, Canada, Available : http://r4d.dfid.gov.uk/PDF/Publications/2017-4-11_knowledge-translation-and-brokering.pdf.
- Simon, H.A. (1991). Bounded rationality and organizational learning. *Organization Science*, 2(1), 125-134.
- Storey C (2010). "Service development success: a contingent approach by knowledge strategy." *Journal of Service Management* Vol. 21 No. 2. Pages 140-161.
- Tayyab M. (2006). *The Role of Knowledge Management in Supporting Innovation and Learning in Construction*. Ph.D. Thesis. School of Business Information Technology RMIT University.
- Walczak, S. (2005). Organizational knowledge management structure. *The Learning Organization*, 12(4), 330-339.
- Wickramasinghe, N. (2003). "Do We Practice What We Preach? Are Knowledge Management Systems in Practice Truly Reflective of Knowledge Management Systems in Theory?" *Business Process Management*, Vol. 9, No. 3, pp.1463-7154.
- Zack M (1999). *Knowledge and strategy*. Butterworth-Heinemann: Boston.
- Zaim, H., Taoglu, E., and Zaim, S. (2007). Performance of knowledge management practices: a causal analysis. *Journal of Knowledge Management*, 11(6), 54-67.