

## DEMOCRATIZATION OF KNOWLEDGE AND KNOWLEDGE MANAGEMENT AS CHALLENGES OF CONTEMPORARY HUMAN RESOURCE MANAGEMENT

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**Summary:** From the standpoint of development of contemporary organizations that are experiencing the transitions similar to those observed in contemporary societies and operating on the verge of chaos, under conditions of variability, the importance of the elements of management, which are characterized by highest flexibility and potential, is increasingly emphasized. Knowledge, as a central value and fundamental resource in the enterprise is becoming the main factor of competitiveness (Haber, 2008, p 82). However, this resource is not generated by the organization alone. The carriers of knowledge are in particular the employees. Knowledge, as an individual resource, is distributed through a network of formal and informal contacts. In this context, organization is viewed not as a system (more or less hermetic) but as a network, an open structure, which is governed by the network logic. Through processes of exchange, individual knowledge contributes to creation of new knowledge and social knowledge: collective and organizational one (Kostera, 2003, p 79). The brief presentation of these mechanisms seems to be extraordinarily attractive from the standpoint of organization. However, it is determined by the philosophy of action, which accepts and even promotes democratization of knowledge as natural process that occurs in networks. This generates different challenges for those who manage the organizations, managers, and HR divisions. The above problems are the basis for the investigations presented in this paper.

**Keywords:** knowledge, sharing knowledge, HR, networking

### 1. KNOWLEDGE AND ITS IMPORTANCE FOR DEVELOPMENT OF ORGANIZATIONS

The literature, which relates to knowledge management, abounds in the concepts of data, information and knowledge (Probst, Raub, Romhardt, 2004, p 26). The most synonymous of these are data and information. The data is a set of facts concerning particular events. Synthesis, mathematical computation, interpretations and adding importance transform them into the category of information. This process, however, occurs in a variety of contexts, which evaluate information (Słocińska, 2010 b).

Knowledge is a concept, which is broader and deeper than data and information (Lin, 2008). It represents the outcome of experiences and internalization of information within the cognitive and emotional domain of human life (Davenport, Prusak, 2000, p 2-5).

There is also the fourth level in the analysis of the knowledge context present in contemporary literature: wisdom. Wisdom is defined as the way the knowledge is owned and utilized (Fazlagić, 2004), hence knowledge about knowledge, termed meta-knowledge (Słocińska, 2010 a).

From the standpoint of management of organizations, the use of the data and processing of the data in order to obtain information that can be than localized, stored and exchanged seems to be the simplest. At this level, it is possible to employ the classical functions of administration

by H. Fayol (Kostera 1998, p 13) that can be supported by IT tools (Davies, Stewart, Weeks, 1998).

When analysing the process of creative thinking at the individual level, creativity is interpreted as the ability to create new and unconventional ideas. Similar view can be used to analyse the process of creative thinking at the organizational level. If one assumes that sharing knowledge is always a *people-to-people process* (Liyanage, Elhag, Ballal 2009, p 122), the extended network of employee contacts, understood as a triumvirate of human, intellectual and social capital (Hayami, 2009; Zhao 2008; Stewart 1999, pXX; Sztumski, 2009, p 11-12), is conducive to increased frequency of interactions and flows of individual knowledge, increasing the probability of creation of the new knowledge. The value added in the processes of exchange of knowledge, regardless of the intentions of the people stimulating their flow, consists in the fact that they cause transformation and development of each of the subjects of the processes of exchange (employees) and consequently the evolution of the whole organization (Miś, 2005; Yang, Fang, Lin, 2010, p 232). This occurs because people do not acquire knowledge passively but they interpret, experience and adapt it to their own situation and outlook on life (Nonaka, Takeuchi 2000, p 33). Furthermore, it is essential that the development of employees and the related development of organization have also the potential for motivation and creating satisfaction among employees (Miś, 2005).

Therefore, the networking understood as the level of interpersonal interactions, which are not confined by the framework of organizational system, is a natural and demanded phenomenon (Perechuda, 2005). Surprisingly, this suggests that ‘mechanical’ prevention of the leakage of knowledge from the organization, through extended monitoring and controlling activities i.e. limitation of the spread of network logic, restricts creativity and development of organization, its members and even shareholders (Bevan, Cowling, Isles, Horner, Turner, 2005).

The processes of exchange of knowledge are the basis for the concept of knowledge management. However, from organizational a managerial standpoint, the exchange of knowledge should be a process, which is stimulated and organized so that it is able to fully utilize the potential that results from the flow of knowledge.

The exchange of knowledge between the employees might be considered in two contexts. The first one concerns localization, reproduction (Fekete Farkas, 2011) and re-codification of knowledge which is possessed by the employees in a manner that allows other members of the organization to use it again. The importance of the use of electronic tools for the process of knowledge management and the factor, which supports interactions between the employees and creation of new social networks should also be, emphasized (Patrick, Dotsika 2007). This also concerns transforming tacit knowledge into the explicit knowledge (which is often of formal character) (Kowalczyk, Nogalski, 2007, p 22; Fic, 2008, p 23). The methods of transforming tacit into explicit knowledge depend on the strategy of knowledge management adopted by organizations. This concerns the strategies of personalization and codification (Zbiegień-Maciąg, 2006, p 46) which reflect some philosophies of perceiving the processes of knowledge exchange by the managers in organizations.

The second aspect of this analysis focuses on the process of exchange of knowledge itself, i.e. seeking answers to the questions of:

- How the employees exchange knowledge?
- What stimulates the exchange of knowledge?
- What are the motivations behind the behaviours connected with flow of knowledge?
- What are the attitudes adopted by the employees with respect to the processes of exchange of knowledge?
- How to organize environment of work (in physical and social aspects) so that the frequency of exchange of knowledge is higher?

- What is the role of the organizational culture for the flow of knowledge?

Both dimensions of the exchange of knowledge are important. They coexist and determine each other at the same time. They allow for creation of the language, which helps express what is difficult to express. This means the tacit knowledge, which means an accumulated experience, practical knowledge that is expressed in action (Kostera, 2003, p 116). They also help localize communication nodes where different arteries of flow of knowledge and information are interconnected.

These nodes might include the physical spaces or certain people, who are termed librarians (Słocińska, 2011, p 295) i.e. the individuals who do not only have particular knowledge, but they also know who might know and what type of knowledge is necessary to solve a particular problem or to perform a task.

Another problem which occurs in the analysis of the processes of exchange of knowledge is full takeover of the knowledge and ‘feeling it’ by a new person. At this stage, the organization should support the experimentation as a method of implementation of newly acquired knowledge by the employees (Swan, Langford, Watson, Varey 2000, p 99-100). The integral element of the phase of creation and testing new knowledge is tolerance to mistakes, which is a precondition for the process of learning. This is one of the most effective method of learning, i.e. through experiencing, as opposed to the method of learning from others’ experiences (Czarniawska 2010, p 144), which unfortunately does not allow for ‘feeling the knowledge’ and its full internalization.

From the standpoint of management, the concept of T.H. Davenport and L. Prusak (2000, p 30) seems to be attractive: the knowledge is supposed to have its ‘sellers’ and ‘purchasers’ and the agents in transactions of exchange and acquisition of knowledge. In opinions of these authors, people share knowledge based on the following principles: reciprocity, reputation, altruism and trust (Davenport, Prusak, 2000, p 30-38). This approach also satisfies the needs for determination of the importance of knowledge and its business value. However, it should be considered whether terming the process of exchange of knowledge a sale is not a manifestation of financialization (Żakowski, 2012, p 5), i.e. the process of intensifying exchange of relationships into transactions and treating an employee as in the model typical of classical economics, Homo Oeconomicus (Kostera, 1998, p 8), the economical man who calculates the benefits.

## **2. NETWORKS AS A FORM OF ORGANIZATION**

Nowadays, in times of individualism and popularization of network logic (Czarniawska, 2011, p 11) previous perception of an organization as a specifically physical construct and managing it according to an engineering metaphor of organization as an efficient machine, seems to be inadequate. It is possible today that an organization operates without any physical attributes (Bih-Shiaw Jaw, Ch. Yu Ping Wang, Yen-Hao Chen, 2006), based on coordination of isolated activities and processes executed by specialized entities. With this respect, it is increasingly legitimate to redefine the concept of organization. An interesting definition proposed by B. Czarniawska (2011, p 15), which says that an organization means a network (rather than a system) of collective activities, which are taken in order to have effect on the world. This definition reveals the actual level of openness of organization (Struzyna, 2007) and interrelation between a variety of networks it exists within.

A characteristic feature of the networks is relationships (Średnicka 2011, p 98), cooperation and constant flow of knowledge and information between the nodes in the network. Authority in the networks is not defined through hierarchy but through the knowledge and ability of its distribution.

Networks operate based on the principle of openness, which proves well as long as the units which operate within the network use the same manner of communication and execute the exchange of information and knowledge. The networking structure is dynamic: the relationships in the network might adopt forms from totally regular to entirely unplanned or even random. In fact, the networks oscillate somewhere between these extreme forms of relationships (Watts, Strogatz 1998).

Non-linearity of networks undermines the principles of functioning of the ordered and formalized organization in a systematic approach, since contacts in the networks are based on the relationships and the principle of trust.

The above arguments might explain insignificant interest in the problems of networking in sciences of organization and management (Smith 1989). Perceiving an organization as a complex and multidimensional network necessitates new and non-standard competencies and strategies for action. Social competencies of the employees, their ability to cooperate, share knowledge and independently seek solutions for the problems and innovativeness are of essential importance.

### **3. ROLE OF HUMAN RESOURCES IN DEMOCRATIZATION OF KNOWLEDGE**

Networks also assume democratization of knowledge, i.e. giving it to ‘the hands of people’. The process of democratization of knowledge is very hard to implement in organizations for several reasons. Firstly, knowledge is sometimes treated as a resource used for gaining competitive advantage and jealously protected. However, it is often neglected that the phenomenon of knowledge assumes that the more we share the knowledge, exchange or use it, the more it grows. Sharing knowledge with others might cause that this person will internalize it in a completely different and unpredictable manner and will create the new perspective for the old problem.

Another problem that results from democratization of the knowledge is viewing it as a determiner for concrete hierarchical positions and posts. Sharing this knowledge with other employees in such cases equals giving up the authority these positions had.

Adoption of an approach, which assumes that an organization is defined as a network, results also in a specific perception of the role of staff.

Most of enterprises believe that there is knowledge trapped within the organization that could drive it to new heights. The problem is where to start? F. Soliman and K. Spooner (2000) point on human resources management. What is widely accepted is that HRM requires a variety of skills in working with tacit and explicit knowledge, and transferring the former one into letter one. That brings a new concept of human resources knowledge consisting of (Soliman, Spooner 2000):

- reviewing the drivers and strategies for human resources knowledge management efforts;
- gaining the commitment and understanding from human resources executives;
- identifying priorities within the human resources department;
- implementing knowledge management support system within the human resources department;
- and managing the expectation of employees.

The crucial role of HRM is also caused by the close linkages knowledge to culture, people behaviour and physical business environment.

Linking knowledge to culture include (Davenport, Prusak 2000, p xiii):

- incentive structures that reward people in part on the basis of their knowledge behaviours;

- senior executive that set an example of knowledge behaviours;
- evaluating decisions and decision-making on the basis of the knowledge use to arrive at them;
- celebrating and rewarding people for sharing knowledge and using “stolen” or borrowed knowledge;
- hiring new workers partly on the basis of their potential for knowledge behaviours;
- giving workers and managers some “slack” for knowledge creation, sharing, use, and general reflection;
- educating all employees on the attributes of knowledge-based business and knowledge-based management.

Linking knowledge to behaviour put interest into realizing the vital connection between knowledge-oriented behaviour and overall employee performance. Knowledge projects should regard for how and why user might be motivated to draw on a piece of knowledge in their work routines. That is because there is still little known about the favourable circumstances that stimulate people in organization to create, share, or apply knowledge. One of the pivotal factors in knowledge creation and transfer is physical space in the workplace. Davenport and Prusak (2000, p xiii) claim that yet we still don't know whether space and office design are truly inhibiting knowledge management, but academics, architects, corporate space planners, and executives should all devote more consideration and creative thought to the issue.

There are at least seven important roles of HR departments in supporting knowledge management activities (Soliman, Spooner 2000):

- social gatherings of staff,
- the office layout,
- trust between employees,
- differences in culture and language,
- timeliness,
- learning and mistakes handling, and
- senior management involvement and support.

It is important to recognize that HR department is better positioned than other functional units to create link between strategy and employee knowledge. The organization must articulate its strategies and then identify the knowledge required in executing it. The required knowledge ought to be compared to the actual employee knowledge. The comparison leads to the identification of both strategic and knowledge gaps.

#### **4. CONCLUSIONS**

The perception of the resources of knowledge accumulated within the organization, stored and processed every day by their owners (employees) implies changes in the concept of knowledge management. The strength of the organization is build day by day and manifests in basic employee and organizational knowledge-based activities and it provides unlimited opportunities for its configuration and renewal. Focus on the exchange of knowledge, on its flow based on the network of employees' contacts, opens up the opportunities of real financial savings connected with e.g.:

- realization of employees' needs in terms of trainings and development
- improving the effectiveness and cooperation among the employees based on understanding of interests and goals,
- building motivation and loyalty based on commitment rather than on financial incentives
- preventing increasing fluctuation.

In summary of the investigations of the utilization of the idea of democratization of knowledge through utilization of the network, one should also take into consideration the maturity of organization. If the activities within the network are an expression of the full readiness of the organization for changes (and networks undoubtedly provide such opportunities), the question remains whether this process should actually be accelerated. An organization, which is ready for transformations, enters naturally into the networks of cooperation and collaboration and encourages their own employees to similar activities. It opens to new knowledge and recognizes the previous one as outdated knowledge, which is likely to lead to making irrational decisions and threaten the existence of the enterprise (Mroczko 2007, p. 125). The organizations, which care for invariability and maintaining their status-quo, shut themselves, being convinced of the elitist character and importance of their knowledge. The contradictions occur when the organizations stimulate behaviours and attitudes, which are conducive to generating knowledge, but they do not know how or are afraid of using this knowledge. Similar duality of attitudes takes place when the organization protects their knowledge resources and does not open to the flow from the outside or inside of the organization and requires finding creative and innovative solutions from their employees. Undoubtedly, the problems of functioning of network-organizations and exchange of knowledge are very interesting and necessitate further research and investigations.

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