

A Study on Impact of Human Resource Factors on Knowledge Acquisition and Creation of Sme's in Health Care Sector

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Abstract

Knowledge management has emerged as a new discipline in managing organization. The main objective of this research is to study how far the HR factors like recruitment and selection, training and development, performance appraisal and compensation and rewards influence the knowledge creation and acquisition of SME's in healthcare industry. Although, knowledge management has been widely discussed by many academics and practioners, there is relatively little information on knowledge management as found in many fields especially in health care sector. The paper aimed at examining the significant of knowledge management, HR factors and to discuss the manner in which HR factors contribute to knowledge creation and acquisition. This study will give the solution to the following questions a) what the roles of HRM in knowledge are creation and acquisition b) How far HR practices affect the effectiveness of Knowledge creation and acquisition. In this study questionnaire were issued out conveniently to nurses in private hospitals in and around Tambaram, Chennai. Out of 106 copies of questionnaire administered, 76 were collected and analyzed. SPSS software was used to analyze, and weighted average and ANOVA are used to prove and disapprove the hypothesis.

Keywords: knowledge management practices, recruitment and selection, training and development, performance appraisal, compensation and rewards, knowledge creation and acquisition.

1. Introduction:

Human Resources are the backbone for proper development of knowledge management in the organization. Implementation of knowledge management process starts with the proper acquisition of knowledge resources through human resource forces. Hence the major Human Resource activities Recruitment and selection, Training and development, performance appraisal and rewards and compensation impact the total process of knowledge management. HRM is defined as the productive utilization of people in attaining the organization's business goals (Stone, 2009). Mondy(2010) pointed that HRM practices planed by organizations are staffing - HR Planning, recruitment and selection; HR development – training and development; compensation – financial and nonfinancial rewards.

Recruitment and Selection are two major functions of HRM carried out to acquire the right quantity and quality of personnel. An effective recruitment and selection can help organizations in selection and allocating competent and qualified workforce to perform the required tasks. Training is a planned and systematic effort to develop knowledge through learning experience in order to achieve effective performance in an activity or range of KM activities where as development refers to formal teaching, job experiences enhancement, assessment of personality and abilities that help employees prepare for the future. Continuous training programs would induce employees to share their expertise and experience, acquire new knowledge and utilization of it.

Using the right reward and reward systems is important to make feeling every employee involved in the process of knowledge creation and acquisition. Proper compensation and reward system can support and promote the development of organizational environment conducive to knowledge management activities. Performance appraisal systems provide employees with feedbacks on their performance and competencies and give directions for enhancing their competencies to meet the needs of the organization. Performance appraisal systems, based on organizational performance or group and stock ownership programs, will reinforce collective goals and mutual cooperation that should lead to a higher level of trust necessary for knowledge exchanges.

2. Review of Literature:

Nyamubarwa ET. Al. (2015) in their study “Application of Knowledge Management as a Human Resource

(HR) Strategy tool in Zimbabwean Universities”, revealed that all universities emphasis in their training policies that the use of external resource person. All teaching staff in universities concurred that knowledge creation is considered important only for their tenure and promotion. Knowledge creators are getting higher proportion of rewards compare to supporting staff in Zimbabwe Universities.

According to Geeta Rana (2015), in her Relationship study between Human Resource Management and Knowledge

Management practices in Indian Organization identified that there is significant relationship between knowledge management and Human Resource Management practices. Reward and Recruitment strategies lead to knowledge management culture in organization. Reward, recruitment and performance management practices increase organizational commitment and affect employee’s willingness to create share or explore knowledge across the organization.

Anupama Murali et.Al.(2013) in their article “Knowledge management and Human Resource Management(HRM): Importance of Integration” stated that Intellectual assets/capital, business transformation, knowledge – based systems, innovation are the ways to capture knowledge in organization. Recruitment and selection process helps the organization for knowledge creation. Training and Development systems helps to enhance existing knowledge and abilities. Rewards and compensation system increases their performance by which organization can able to create more knowledge.

Trade and Development Board organized, Inter governmental group of experts on competition law and policy, Twelfth session. Geneva (2012), in the topic Knowledge and human – resource management for effective enforcement of competition law discussed that due to budgetary constraints recruitment of qualified staff became harder so that they motivate and retain their existing staff by means of high quality training and superior work life – balance. Attrition rates are reduced through quality training and rewards and compensation.

The organization’s success finally depends on the speed at that it will generate, capture and spread knowledge and so use this knowledge to develop capabilities which will not simply be traced

by rival. The power to create knowledge and to still learn from constitutes the competitive advantage as innovative information developed is the core knowledge for future. (Zack, 1999. P.124; Davenport and Prusak, 1998, p.79)

Nonaka & Takeuchi’s model (1995) demonstrates knowledge creation process. In socialization mode knowledge is generated from tacit knowledge to new tacit knowledge. In externalization mode tacit knowledge is changed in to explicit knowledge. In combination mode an explicit form of knowledge develops into another new explicit form. In internalization mode explicit knowledge is converted in to tacit knowledge.

3. Objective:

- To explore the impact of HR factors with relation to Knowledge creation and acquisition.

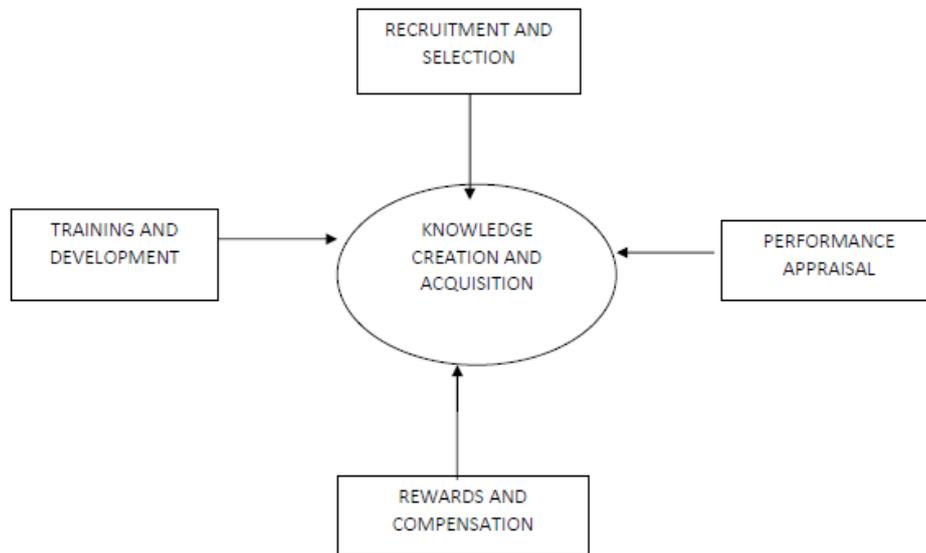
Hypothesis:

H1: There is no significant relationship between HR factors and knowledge creation and acquisition.

4. Research Methodology:

- Primary information was collected through Questionnaire.
- Secondary information was collected from books and journals.
- Simple random Sampling methodology was used to collect data. Sample size 76.

Conceptual Framework:



Analysis and Interpretation:

Table 1: Recruitment and Selection

Recruitment and Selection	S.A	A	N	D.A	S.D.A	Weighted Average	Rank
Job vacancies are filled from within the organization.	0 (0)	56 (14)	54 (18)	78 (39)	5 (5)	193	5
Employees are hired or promoted on the basis of their job knowledge and experience.	145 (29)	140 (35)	18 (6)	12 (6)	0 (0)	315	2

Employees are hired or promoted on the basis of their ability to collaborate and work with others.	60 (12)	136 (34)	27 (9)	42 (21)	0 (0)	265	3
Employees are hired or promoted on the basis of their fit with the organization's culture.	145 (29)	164 (41)	9 (3)	6 (3)	0 (0)	324	1
In hiring or promoting, employees are assessed against criteria set by the organization, rather than on the manager's personal preference.	40 (8)	124 (31)	9 (3)	46 (23)	11 (11)	230	4

Source: Primary Data.

Note: S.A – Strongly Agree; A - Agree; N - Neutral; D.A - Disagree; S.D.A – Strongly Disagree.

Inference and suggestion:

From the above table it has been inferred that employees are hired or promoted on the basis of their fit with organization's culture

and on the basis of their knowledge and experience. Employees disagree that internal recruitment is happening in this sector. Due to versatile knowledge requirement in this industry it is advisable for these companies to select employees as per job specification and companies can utilize experienced employees for certain positions.

Table 2: Training and Development

Training and Development	S.A	A	N	D.A	S.D.A	Weighted Average	Rank
There are formal training programs to teach new employees the skills they need to perform their jobs.	175 (35)	148 (37)	3 (1)	6 (3)	0 (0)	332	3
Employees receive training to perform multiple tasks so that they can fill in for others if necessary.	165 (33)	164 (41)	6 (2)	0 (0)	0 (0)	335	1
Employees receive training on team building and interpersonal relations.	40 (8)	180 (45)	9 (3)	40 (20)	0 (0)	269	4
Employees receive training on our organization's values and ways of doing things.	165 (33)	164 (41)	0 (0)	4 (2)	0 (0)	333	2
Training is available to any employee who is interested	0 (0)	184 (46)	24 (8)	44 (22)	0 (0)	252	5

SOURCE: Primary Data.

Note: S.A – Strongly Agree; A - Agree; N - Neutral; D.A - Disagree; S.D.A – Strongly Disagree.

Inference and suggestion:

From the above table it has been inferred that employees are receiving training to perform multiple tasks and for organization's values and induction training program also given for new

employees. This situation indicates positive sign for this sector. Interested employees are able to get training at all times has scored low. Even though the cost of training plays a vital role it is important to retain interested employees. So that knowledge creation process can be induced and internal knowledge acquisition will be possible.

Table 3: Performance Appraisal

Performance Appraisal	S.A	A	N	D.A	S.D.A	Weighted average	Rank
Performance appraisals are based on input from multiple sources (supervisors, peers, subordinates, customers, etc.)	55 (11)	224 (56)	9 (3)	12 (6)	0 (0)	320	1
The performance appraisal process is standardized and documented.	40 (8)	244 (61)	12 (4)	6 (3)	0 (0)	302	2
The performance appraisal is discussed with the employee.	30 (6)	168 (42)	45 (15)	26 (13)	0 (0)	269	5
The performance appraisal is used to determine an employee's pay.	65 (13)	176 (44)	21 (7)	18 (9)	3 (3)	283	3
The performance appraisal is used to determine an employee's training needs.	40 (8)	192 (48)	21 (7)	14 (7)	6 (6)	273	4

Source: Primary Data.

Note: S.A – Strongly Agree; A - Agree; N - Neutral; D.A - Disagree; S.D.A – Strongly Disagree;

Inference and suggestion:

From the above table it has been inferred that healthcare sector using standardized documents for performance appraisal to get opinions from supervisors, peers, subordinates and customers. The

results of appraisal process must be discussed with employees so that organization can make them to understand the need of training and also can suggest about their career growth. Discussions of results with employees will motivate them to perform well in future. The discussion should in positive manner and also better if it is one to one communication.

Table 4: Rewards and Compensation

Rewards and compensation	S.A	A	N	D.A	S.D.A	Weighted Average	Rank
Incentives and bonuses are given on the basis of the individual's job performance.	75 (15)	180 (45)	12 (4)	16 (8)	4 (4)	287	2
Incentives and bonuses are given on the basis of how well our organization performs.	30 (6)	168 (42)	18 (6)	14 (7)	5 (5)	235	4
Seniority or length of service, rather than merit or performance, determines increases in base pay.	90 (18)	184 (46)	18 (6)	10 (5)	1 (1)	303	1
Cost – of – living adjustments or legislated wage adjustments determine increases in base pay.	0 (0)	24 (6)	33 (11)	96 (48)	11 (11)	164	5
An employee's base pay depends on the importance of his or her job to the organization.	70 (14)	144 (36)	24 (8)	16 (8)	10 (10)	264	3

Source: Primary Data.

Note: S.A – Strongly Agree; A - Agree; N - Neutral; D.A - Disagree; S.D.A – Strongly Disagree.

Inference and suggestion:

From the above table it has been inferred that seniority and length of service determines the increment in base pay. Incentives and bonuses are based on individual's job performance. Employees can get motivated if they get rewards when organization generates more profit which will directly increase their performance towards organization's strategy.

Table 5: Weighted Average for Knowledge Creation and Acquisition

Knowledge creation and acquisition	S.A	A	U.D	D.A	S.D.A	Weighted Average	Rank
Recruitment and selection process followed by your company is based on job specification.	60 (12)	212 (53)	15 (5)	6 (3)	3 (3)	296	2
Training programmes given by company are based on both employees as well as company's perspective.	95 (19)	200 (50)	12 (4)	0 (0)	3 (3)	310	1
There is lot of different knowledge existing in your company	40 (8)	204 (51)	21 (7)	14 (7)	3 (3)	282	5
The company could realize benefits if it improves the ways of reusing its existing skills and experience.	55 (11)	184 (46)	33 (11)	10 (5)	3 (3)	285	4
Rewards and benefits given by company induce your (employees) interest on learning.	80 (16)	176 (44)	27 (9)	8 (4)	3 (3)	294	3

Source: Primary Data. S.A – Strongly Agree; A - Agree; N - Neutral; D.A - Disagree; S.D.A – Strongly Disagree.

Inference and suggestion:

From the above table it has been inferred that training programs are based on employees as well as company's perspective and recruitment and selection is highly based on job specification.

Creating different knowledge in company is mandatory in this era to survive in this competitive market. As per employees opinion by providing rewards and benefits companies can induce interest of learning. This will lead to create different knowledge in organization.

Table 6: Overall impact of relationship between HR factors and Knowledge creation and acquisition
H1: There is no significant relationship between HR factors and knowledge creation and acquisition.

Anova					
Overall Hr FACTORS					
	Sum of Squares	D.f.	Mean Square	F	Sig.
Between Groups	237.241	10	23.724	1.817	.075
Within Groups	848.917	65	13.060		
Total	1086.158	75			

From the above table it could be found that significance level is greater than 0.05. So Hypothesis is rejected.

Hence there is significant relationship between HR factors and knowledge creation and acquisition.

5. Conclusions:

Personnel Department came in to existence in 1990's. After 2000 Human Resource Department became heart of corporate markets. All business transactions need man power with knowledge. But nowadays knowledge influences Human resources. So

implementing knowledge management in organizations became crucial. In this study researcher has studied about HR factors (recruitment and selection, training and development, compensation and rewards and performance appraisal) and its impact on knowledge creation and acquisition in health care sector. This sector is well growing field and is required much knowledge. In this research researcher found and suggested that employees disagree that internal recruitment is happening in this sector. Due to versatile knowledge requirement in this industry it is advisable for these companies to select employees as per job specification and companies can utilize experienced employees for certain positions. Interested employees are able to get training at all times has scored low. Even though the cost of training plays a vital role it is important to retain interested employees. So that knowledge creation process can be induced and internal knowledge acquisition will be possible. The results of appraisal process must be discussed with employees so that organization can make them to understand the need of training and also can suggest about their career growth. Discussions of results with employees will motivate them to perform well in future. The discussion should in positive manner and also better if it is one to one communication. Employees can get motivated if they get rewards when organization generates more profit which will directly increase their performance towards organization's strategy. Creating different knowledge in company is mandatory in this era to survive in this competitive market. As per employees opinion by providing rewards and benefits companies can induce interest of learning. This will lead to create different knowledge in organization. Hence researcher concluded that there is direct relation between HR factors and knowledge creation and acquisition.

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