

Chapter 74

HRM Practices and Knowledge Sharing Behaviour: Lessons from Pakistani Knowledge Intensive Firms

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ABSTRACT

This chapter examines the empirical effect of Human Resource Management (HRM) practices on employees' knowledge-sharing behaviour in Pakistan. A research model is developed for this chapter and hypotheses are formulated. The research sample is comprised of 390 respondents from 19 Knowledge Intensive Firms (KIFs) in Pakistan. The authors have employed Structural Equation Modeling (SEM) techniques to test the proposed hypotheses. The results suggest that collaborative HRM practices have a positive effect on employees' knowledge sharing behaviour. Surprisingly, they find that employees' knowledge-sharing behaviour is independent of reward systems and employee recognition. This chapter is entirely based on employees' perceptions; therefore, the results of this study are from an employee's perspective, rather than from a management perspective. Therefore, the chapter makes a valuable contribution, given the lack of empirical studies focusing on the South East Asian region. This study is beneficial for researchers, practitioners, and those interested in organisational structure and relationships across organisations in the knowledge context.

INTRODUCTION

Knowledge, as a resource, begins to replace physical assets for value creation in the marketplace. The ability to share, apply and create new

knowledge becomes the basis by which to obtain competitive advantage in organisations (Kogut & Zander, 1992; Nonaka & Takeuchi, 1995). Whilst the origins of knowledge go back to the earliest civilisations, it is only three decades ago

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that managers and administrators in organisations began to realise its increasing importance due to the emerging competitive market (Wiig, 1997). The reasons could be due to globalisation, rapid growth and the knowledge economy. Knowledge, as a resource, has a pivotal role where work is mostly intellectual in what are known as knowledge intensive firms (KIFs).

In KIFs, HRM modulate KM and are one of the major antecedents of knowledge creativity through knowledge sharing. This can be obtained by improving human capital and the provision of benefit to both individuals and organisations through improved capability (Ipe, 2003; Liao, Fei, & Chen, 2007; Lin, 2007). Despite the potential here, the knowledge management (KM) literature has made only limited use of HRM concepts and frameworks (Chiang, Han, & Chuang, 2011; Connelly, Zweig, Webster, & Trougakos, 2012; Hislop, 2003). Recent studies suggest that knowledge sharing can be advanced through bridging both KM and HRM fields (Oltra, 2005; Svetlik & Stavrou-Costea, 2007).

Although the field of knowledge management is quite new, it has been growing rapidly in the current knowledge economy (Easterby-Smith & Lyles, 2005). As discussed earlier, the initial focus of KM research was on technology. However, a decade ago, the importance of employees who own the knowledge in an organisation was recognised. The knowledge management literature has explained the background of employees' knowledge sharing. However, there is a lack of research on the strength of the relationship between HRM practices and knowledge sharing behaviour (Minbaeva, Mäkelä, & Rabbiosi, Fong, Ooi, Tan, Lee, & Chong, 2011; Oltra, 2005; A Riege, 2007; 2008). Several studies in various business sectors suggest that organisations need to pay attention to HRM practices to facilitate knowledge sharing behaviour (Boselie, Dietz, & Boon, 2005; González, Giachetti, & Ramirez, 2005). However, a number of these specific relationships have

not been supported in Asian countries and merit further investigation. This study aims to focus on a developing country, Pakistan, and investigates the strength of the relationships between HRM practices and employees' knowledge sharing behaviour, based on their perceptions.

This chapter is based entirely on employees' perceptions, and not those of managers and CEOs (informants). The results should be viewed through the lens of employee perceptions in knowledge intensive organisations. This book chapter is structured so that following this introduction, we review the relevant literature, and consequential hypotheses are proposed to explain how HRM practices relate to knowledge sharing and capability. We then briefly present the data collection process, followed by results of hypotheses testing, discussion, and conclusion.

LITERATURE REVIEW AND HYPOTHESES

In recent years, organisational dependency on bureaucratic control over resources to obtain superior performance has shifted from physical resources to knowledge and skills (Al-Alawi, et al., 2007; Thite, 2004). The reasons for that shifts is due to recognising the knowledge as not only information but a resource with asset value which can help organisations to function more effectively (Sveiby, 1997; Davenport & Prusak, 1998). Sveiby (1997), Davenport and Prusak (1998) are pioneer researchers in the field of KM, who highlighted the values of knowledge, particularly individuals' (employees') knowledge in organisations. Knowledge is embedded within the organisations which can provide competitive advantage and elevate an organisation to new heights (Nahapiet & Ghoshal, 1998; Stewart, 1997).

For instance, in law firms, knowledge regarding the needs and interests of the clients is in the form of an asset that resides in the head of employees,

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