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Bachelor of Commerce

Supervised By Dr. Scott Gardner

This thesis is presented in partial fulfilment of the requirements for the degree of Bachelor of Commerce with Honours, Murdoch University, May 2012
Declaration

I declare that this thesis is my own account of my research and contains, as its main content, work which has not previously been submitted for a degree at any tertiary educational institution.

__________________________
Erin Marley
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Erin Marley

Full name of Degree: Bachelor of Commerce in Human Resource Management with Honours


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Abstract

Over the past decade knowledge has been highlighted as the definitive source of competitive advantage (CA) and value for organisations in the new Knowledge Economy (Kong and Thomson 2009; Hartell and Fujimoto 2010). Since the early 1990’s many researchers have discussed the management of knowledge within organisations; prompting the exploration of knowledge creation and management theories (Wikström and Normann 1994). Research has revealed a limited ability for Knowledge Management (KM) frameworks to address the ‘soft’ (human) aspects alongside the ‘hard’ (technological) aspects of knowledge creation and transfer (Leyland 2010). This has called for an emphasis to be placed on the appropriate use of structures and strategies to harness knowledge and technology, in order to stay competitive (Leyland 2010).

Aiming to address these points this research is an explorative study investigating how HRM initiative can impact on knowledge generation and thereby build competitive advantage. The study employs a single case study approach premised on an in-depth rather than an industry-wide investigation of the relationships between KM and HRM in achieving organisational learning and CA. More specifically the research identifies how HRM initiatives enable knowledge-sharing between knowledge workers for the purpose of organisational learning, value adding to goods and services, and increased competitive advantage (CA).

This study is both unique and significant in terms of its contributions to knowledge in the field of KM. It elicits understandings from a review of the current KM literature and a practical perspective generated from the feedback given by 12 managers from a large Australian Law firm, situated in a highly knowledge-intensive industry with an incentive to engage in KM. The study aims to address the gap in the literature by providing broad practical insights into the management of knowledge from both ‘hard’ (IT) and ‘soft’ (Human) perspectives. A thematic analysis of both the literature and the data collected in chapters two and four provides a synthesis of theory and practice offered in chapter five.

The key findings indicated that in the case organisation HRM policy and practice were not a key aspect of managing relationships and facilitating knowledge-sharing amongst employees. However, organisational culture played a big part in enabling and encouraging commitment to KM. The core recommendation for the case organisation to consider is the implementation of HRM initiatives which will promote the development of an organisational learning focused culture to improve the knowledge-sharing. This finding is supported with reference to the broader KM, organisational learning and HRM literature. This study provides a platform for further research exploring the potentially productive nexus between KM, HRM, organisational learning and culture and how this can better understood by academics and managers seeking to add value in legal and professional services.
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List of Acronyms and Definitions

Competitive Advantage (CA) – A firm has competitive advantage when it is implementing a value creating strategy not simultaneously being implemented by any current or potential competitors (Barney 1991).

Human Resources Management (HRM) – is the pattern of planned human resource deployments and activities intended to enable an organization to achieve its goals (Wright and McMahan 1992)

Knowledge-Based View (KBV) – identifies knowledge as a capability for competitive advantage alongside physical resources; labelling it a ‘costly-to-imitate resource’ (Barney 1991).

Knowledge Management (KM) – “It focuses on the need to develop collaborative knowledge networks, which are increasingly global in nature and which support people with the technology needed to work across distance to foster the innovation needed to remain competitive in global environments” (Hawryshkiew 2010, 5).

Knowledge Management Lawyer (KML) – describes lawyers operating in the space of knowledge and utilising knowledge to improve practice.

Organisational Learning (OL) – Organisational learning is an organisation-wide process, which identifies gaps in current and desired performance, through bringing employees together to become aware of capabilities and consequences for experience (Hartell and Fujimoto 2010).

Resource-Based View (RBV) - identifies that physical resources and capabilities rather than products and services used by organisation to build competitive strategy (Grant 1996).
Part One:
Research Purpose, Theory and Analytical Framework
Chapter One: Introduction

“Knowledge is not homogenous; the process of acquiring knowledge is individual in every setting and context. This is due to the fact that different data sets and information bundles influence personal experience that informs knowledge and leads towards wisdom.”


1.1 The Opportunity in Knowledge Management

Organisations have been in the midst of strategic, structural and resource focused transformations (Lytras and Sicilia 2005) since the emergence of the Knowledge Economy. This era began with an emphasis on the appropriate uses of structures and strategies to harness knowledge and technology in order to stay competitive (Leyland 2010). Firms operating through tangible assets will show poor performance in the Knowledge Economy, as opposed to those operating in the intangible domain (Galbreath 2005). While there is tentative recognition of the obsolescence in current systems, business models and management practices in the Knowledge Management (KM) and Human Resource Management (HRM) literature, there is a broad acknowledgement that without a foothold in intangible assets or knowledge capabilities organisations will not maintain competitive advantage (CA) (Capece and Costa 2009). It is right now that organisations have a window of opportunity to act for positive change. This opportunity requires organisations to become proactive in developing strategies and structures to support the increased development and acquisition of intangible assets. In the Knowledge Economy “organisational survival depends upon the development of new knowledge and know-how” (Hartell and Fujimoto 2010, 70).

“Knowledge and ideas are infinite economic goods” (Kim and Mauborgue 1999, 44), and as an internal resource they are becoming increasingly important in generating value and competitive advantage (CA). In order to gain these returns, organisations require support systems for the generation and transfer of knowledge. Emphasising the need to study structures, strategies and practices associated with knowledge within organisations. As knowledge is not always of the same nature organisations need to understand the elements that surround its creation and potential ability to increase understanding when transferred (Wikström and Normann 1994).

The literature suggests that Knowledge Management (KM) strategies have been focused on the storage and flow of knowledge through databases and knowledge management systems (Easterby-Smith and Prieto 2008; Leyland 2010). This technology has become a pitfall in KM practice, as knowledge is generated within and between individuals through experience and interaction (Nonaka and Konno 1998). This legitimises the need to move focus towards the
human aspects of knowledge generation and transfer. Organisations have the potential to create dynamic knowledge assets and intellectual capital, through the development of communities of practice and teams (Capece and Costa 2009). The KM literature identifies collaborative knowledge-creation and transfer as vital to the development of intangible assets, however is unable to identify how to support the human aspects of knowledge-sharing (Venters 2010).

Wright and McMahan (2011) demonstrate that Human Resource Management (HRM) initiatives such as employee motivation and engagement, training and development, recruitment and selection, and performance management are able to facilitate and improve knowledge-sharing. These activities are referred to as HRM initiatives throughout this study as the term endorses a deliberate intervention of improvement rather than a functional administrative task. McNichols (2010) supports this idea suggesting that HRM initiatives are able to extend collaborative knowledge and learning throughout the organisation, building on intangible assets which have been ignored in the past. Capece and Costa (2009) emphasise the importance of knowledge-creation in building and acquiring the right organisational capabilities. These capabilities enable the organisation to increase learning and enable the development of competitive success (Easterby-Smith and Prieto 2008). As a result, utilising HRM initiatives as an enabler of KM strategy will increase the stability of CA through improved intangible assets.

For those reasons the purpose of this research is to provide understanding of the ways in which organisations are able to transform existing management and HRM practices to better utilise intangibles. An exploration of the role HRM initiatives plays in supporting knowledge-sharing to deliver capacity building through effective KM is developed. The thesis will explore the concepts of strategy, structure, knowledge-creation and transfer, KM, HRM, culture and organisational learning. In particular it will discuss the role of HRM as an enabler of KM strategy from both a theoretical and a practical perspective.

1.2 Analytical Framework for the Thesis

As organisations emphasise the need to increase CA in all aspects of organisations – many areas of explorative inquiry can take place in order to better understand the processes involved – creating the opportunity to develop stronger strategies and practices. The beginning of such an inquiry prompts researcher to explore the Why? and How? aspects of the transformation. The analytical framework described below and illustrated in figure 1.1 aims to support a clear understanding of KM and HRM within the Knowledge Economy. The framework includes the key elements and theories which influence an organisations ability to manage knowledge to achieve the goals of organisational learning and CA.
Such a framework enables a structured exploration of the interacting features of the Knowledge Economy. It identifies the key concepts stated in section 1.1 and develops the boundaries for the literature search developed in chapter two. Importantly it outlines the key concepts employed in this study and associated with the research question below.

In what way can HRM initiatives produce greater employee commitment to KM Strategy and organisational for sustained competitive advantage?

The question addresses two diametrically opposed aspects of management, KM and HRM, for the management of employee knowledge. However, this is only true if HRM operates in its static nature, rather than strategically and in line with other business areas. It also informs the research approach and the preliminary interview questions (elaborated in chapter three) and provides focus for the data synthesis and discussion in chapter 5. As a result of this question, the research seeks to identify the key points of alignment and separation between KM and HRM theory.

The research explores this relationship from both a theoretical and a practical perspective. From a practical perspective KM is seen as crucial to the success of law firms as the accessibility and researchability of primary and secondary legal information has multiplied exponentially through technology (Plessis 2011). Plessis’ study highlighted that knowledge-sharing practices are not the forefront of current research, as the focus is on the technological aspects of KM. It is proposed in this research that HRM initiatives could be utilised to engage employees in knowledge-sharing and adding value to the firm by creating stocks and flows of intellectual capital. By engaging HRM initiatives for knowledge-sharing organisations are able to build competitive advantage by providing value in products and services. Intellectual capital is the knowledge which is embedded in the organisations routines and network relationships (Kong and Thompson 2009). In order to test this assertion the core research question (above) and the sub-questions identified in figure 1.1 will be addressed, from a theoretical perspective in chapter two and the practical perspective in chapter 4. These results will then be synthesised in chapter five as described in section 1.4 and in more detail in chapter 3.
Figure 1.1: Analytical Framework – Human Resource Management and its relationship to Knowledge Management and Organisational Performance.
1.3 Justification for the research

Research is generally initiated to contribute new knowledge in a particular field. Following on with this tradition this study aims to provide insight and understanding of the broad KM literature by exploring how key concepts such as – intellectual capital, KM systems and intangibles are applied in a specific industry and organisational context. Through combining a theoretical understanding of knowledge-sharing in a specific legal firm context with an in-depth exploration of the structures that are ‘seen’ to support this process, the study aims to provide increased understanding of the effectiveness of current organisational practice. This perspective identifies an interdisciplinary understanding of the link between KM and HRM to enable knowledge-sharing and organisational learning. This idea generated as a result of the understanding that IT-based KM is unable to address the human aspect of the KM process to develop tacit knowledge, skills and expertise (Easterby-Smith and Prieto 2008; Jashapara 2011). These understandings will build on the limited pool of recent KM, Organisational Learning and HRM literature.

This recognition of an interdisciplinary approach will allow organisations in the professional service sector to understand how collaborative knowledge increases knowledge assets and organisational learning for CA. New knowledge will be generated surrounding the knowledge creation and transfer process realising the potential of human interactions and organisational learning. Emphasis on both the pitfalls and opportunities in current strategy will allow the discussion of how HRM initiatives can support the holistic organisational strategy of knowledge building. This emphasises the idea of an interdisciplinary approach between KM and HRM to generate effective knowledge-sharing among employees.

1.4 Research Process

This thesis comprises three parts which illustrate the stages of research; planning, conducting and finalising pictured in figure 1.2. These three stages take on the same ontological and epistemological assumptions associated with the theory of KM. This means that current knowledge needs to be examined to create context (Stage 1), then new knowledge can be generated through collaborative discussions (Stage 2), and finally, synthesis of the above two stages can take place to generate new insights and understanding (Stage 3). The qualitative case study of a national law firm provides the methodological outline for this study and the research as a whole is grounded in the social constructionist paradigm. The case study approach was chosen as the limitations of access to organisation with well-established KM systems and the time constrains of an honours level thesis come into play.
The social constructionist approach places emphasis on connecting the understandings and interpretations from twelve Knowledge Management Lawyers (KML). The sample was indicated by the gate keeper of the organisation (section 3.3.2) to ensure a clear picture was given surrounding the status of KM activities within the organisation. A case protocol, described in section 3.3, was designed utilising a combination of deductive and inductive theory building. This combined abductive approach identifies major themes within the literature, as well as allowing the data to generate new ideas confirming or eliminating original themes.

### 1.4.1 Overview Chapters 1 – 6

Part One ‘Research Purpose, Theory and Analytical Framework’ encompasses the beginning three chapters (figure 1.2). Firstly, Chapter One ‘Introduction’, presents an overview of the progression of the thesis and develops the analytical model. Following this, Chapter Two ‘Literature Review’ provides a more detailed insight to the relevant literature. The literature review covers the key bodies of theory surrounding knowledge application, the supporting strategies, structures and practices, and identifies the opportunities for HRM to support KM strategy. Chapter Three ‘Methodology’ presents the research methodology which is posited within the qualitative field of research, grounded in the social constructionist paradigm. Therefore the research is influenced by and employs a range of qualitative methods. It identifies the use of a case study approach, justifying the use of in-depth semi-structured phone interviews.

Part Two ‘Generation and Transfer of Knowledge’ (figure 1.2) explores the study findings and has the practical intent of developing organisational and individual learning through the generation of insight and transfer of knowledge from the case study participants. Chapter Four, ‘Case Findings’ presents the data collected in the interviews, describing the understandings of the Knowledge Management Lawyers (KML) within the law firm. It elicits new knowledge surrounding the thematic concepts addressed in chapter two, in order to allow a synthesis of ideas.

Part Three ‘Understanding Knowledge and Opportunities’ encompasses the final two chapters. Chapter Five ‘Data Synthesis and Discussion’ uses the findings generated from practice and literature to identify gaps and opportunities for change interventions to increase organisational learning and the use of intellectual capital to create unique value added services. Chapter Six presents the conclusions, recommendations and potential future research options. It addresses the research question, identifying the opportunity for HRM initiatives to support KM strategy. This chapter concludes with a reiteration of the research aims as they connect with the data.
The following chapter (2) presents the background and context to this research including an in-depth review of the literature surrounding the Knowledge Economy, knowledge-sharing, organisational strategy and structure, KM practices HRM initiatives and organisational culture and learning. It will also provide an account of the potential gaps and opportunities in the application of knowledge creation and transfer.
Figure 1.2: Thesis Framework
Chapter Two: Literature Review

2.1 Introduction

The emergence of the Knowledge Economy in recent years has shown a significant change in the way organisations operate (Lytras and Sicilia 2005). With a new perspective of knowledge, organisations are increasingly engaged in understanding the knowledge embedded in business processes and employee skills (Burton-Jones 2011). Gottschalk (2000) suggests that intangible assets, such as intellectual capital and knowledge assets provide capabilities for competitiveness. It is evident that the largest amount of organisational knowledge is tacit knowledge, also known as know-how (Joia and Lemos 2010). In order to effectively harness this knowledge and remain competitive in this ever shifting reality, organisations require comprehensive structures, strategies and practices which focus on intangibles to provide success in the Knowledge Economy (Kong and Thomson 2009; Joia and Lemos 2010).

Easterby-Smith and Prieto (2008) demonstrated that Knowledge Management (KM) has previously been viewed as primarily IT based; in particular facilitating the storage and flow of knowledge. However this view has changed based on the need to understand knowledge as a process rather than an object (Easterby-Smith and Prieto 2008). Formerly, law firms have focused on developing cost-effective ways to disseminate knowledge through daily practice (Plessis 2011). This is due to the high intensity of knowledge associated with the work of lawyers and the variability of information (Gottschalk 2000). The following review of literature generates an understanding of the importance of knowledge within the Knowledge Economy and identifies the opportunities and limitations of Knowledge Management (KM) strategy. It explores how and why collaborative knowledge-sharing has the potential to create valuable knowledge assets (Capece and Costa 2009). Emphasis is placed on how KM strategies fail to consider the human aspect of managing the relationships between employees as knowledge workers. This allows the identification of Human Resource Managements (HRM) ability to extend knowledge through the organisation by engaging knowledge workers in the collaborative process (McNichols 2010). As mentioned in chapter one the term initiative endorses a deliberate intervention, which is linked to knowledge-driven strategy, structures and practices to promote organisation learning and knowledge use.
2.2 Transition of organisational focus

Over the entirety of human existence knowledge has impacted on every aspect of decision making and development (Nonaka and Takeuchi 1995), however it has not been the forefront of research until now (McNichols 2010). The predecessors to the Knowledge Economy; the Agrarian, Industrial and Post-Industrial, hold dissimilar qualities which provide an understanding of resource progression leading to knowledge becoming an integral part of business. Becoming familiar with the boarder environment helps to gain an understanding of knowledge is an organisational asset.

In the agrarian society’s production focused on employing raw materials and natural resources including; draft animals, human muscle, soil, water and wind for the purpose of fuelling development (Bell 1976; Raich 2002). As technology improved, the industrial society saw capital driven development through heavy construction, manufacturing and production (Raich 2002), enabled by the development of created energies (Bell 1976). These energies sparked debate over the sustainability of production (Raich 2002). Therefore, production began to focus on processing efficiencies and recycling; which developed on the account of an increase in technology and the exploration of information (Raich 2002). This era was called the Post-Industrial Society, at this time organisational goals, values and processes became the forefront of strategy (Raich 2002). Through this continual change and the distinct shift in the economic sector, it is evident that organisations require the development of specific competencies and capabilities to become compliant and generate value (Raich 2002). Societal changes are the result of the attainment of new knowledge, information and technology (Raich 2002). The increasing acquisition of information has emphasised the need for future planning within organisations (David and Foray 2002). Therefore, the distinction between Post-Industrial and Knowledge Economy is defined by the need to obtain valuable knowledge and leverage it throughout the organisation for competitive advantage (CA).

2.3 The Knowledge Economy

There are many interchangeable terms used to describe the emerging economy, such as the Knowledge Economy, the New Economy, the Digital Economy, the Network Economy, and the Weightless Economy. Although these terms hold slightly different definitions, they are effectively discussing the same society. It is purposeful to use the term Knowledge Economy, as its definition creates a holistic view of the society and the characteristics which
affect organisations. Lytras and Sicilia (2005) emphasises both the technological and knowledge aspects of the society defining the Knowledge Economy as:

“...a new strategic position of our society where the social and the economic perspective is concentrated on the exploitation of emerging technologies, and well-defined knowledge and learning infrastructure are the main vehicles for the implementation of knowledge and learning strategies” (4).

This definition emphasises that organisations need to design their strategies, structures, technologies, practices and culture around knowledge and learning. In doing so, organisation can become strategic in creating value from intangible assets (Lytras and Sicilia 2005). This is apparent because over the past 25 - 30 years the knowledge market has increased dramatically, with organisations utilising technology to capture valuable knowledge to develop specific capabilities (McGee 2003).

2.3.1 Defining Characteristics of the Knowledge Economy

In the Knowledge Economy the importance of knowledge and technology as organisational assets has influenced the way organisations operate (McGee 2003). McGee (2003) suggested that business thinking has shifted to develop core capabilities through valuable knowledge and technological resources in order to gain competitive advantage (CA). This illustrates that organisations require continual change in order to create CA through knowledge. McGee (2003) identifies five economic changes which illustrate a shift in organisational business thinking: (1) An increasing growth in knowledge diffusion; (2) Specialisation of knowledge transfer; (3) Knowledge as a tradable good, from which new markets emerged; (4) Data management and KM is more prominent; (5) The emergence of new specialised intermediaries. These changes in the economy provide the opportunity to streamline strategy and structure, integrating knowledge for the purpose of building valuable capabilities which in turn develops CA.

Alongside this change in resource focus, organisational competitiveness literature depicts that intangible assets, such as employee knowledge, are the upmost important capabilities (Kong and Thomson 2009). Therefore, strategy needs to be developed to focus on the exploitation of knowledge to develop the right capabilities. Kong and Thomson (2009) identify that capabilities are even more valuable when they are collectively constructed. The development of collective knowledge requires a structural change within the organisation to include communities of practice and teams (David and Foray 2001). In general these are described as “networks of individuals striving, first and foremost, to
produce and circulate new knowledge” (David and Foray 2001, 1). The changes in strategy and structure will be discussed further in sections 2.7 and 2.8.

2.3.2 Pitfalls in the Knowledge Economy

Progression is usually seen as an opportunity; however the increasing intensity of technological advancements has become detrimental to some organisational structures (Waldman 2010). Although this thesis examines a law firm which has successfully implemented new technologies, it is important to understand the impacts technology has in other areas. Technology, especially internal advancements, has brought down barriers within industries as well as between them (Waldman 2010). As a result ‘Creative Disruption’ developed; “changing the rules of who can compete with whom and how and where they can compete” (Waldman 2010, 7). This disruption has allowed more organisations to become globalised and enter new markets with newly differentiated and efficiently produced products. Therefore, detrimental effects have impacted on those organisations that are unable to progress (Waldman 2010). Alongside these technologies organisations need to utilise knowledge as progressions is “...not about what you destroy it’s what you create” (Waldman 2010, 29). Although this pitfall of the Knowledge Economy is weakening some organisations, it is also a very powerful tool to increase value through connectivity, efficiency and personalisation (Waldman 2010).

2.4 Understanding Knowledge

Although the nature, application and advancement of knowledge has been a focus of intellectuals and educators since the epoch of the discussed philosophers, the contexts in which individuals use knowledge has changed as well as the “major competitive and productive benefits emanating from the knowledge-creation process” (Nonaka and von Krogh 2003, 638). This has resulted in knowledge becoming transactional, with its significance increased when individuals collaboratively connect important articles of information (Nonaka and Takeuchi 1995). Table 2.1 below defines the terms data, information and knowledge; as these terms are normally discussed alongside one another. Defining them separately helps to avoid the perplexity of their interaction.

<table>
<thead>
<tr>
<th>Table 2.1: Definitions of Data, Information and Knowledge</th>
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<tbody>
<tr>
<td><strong>Data</strong>: Is described as particular facts or records in reference to situations, events and transactions</td>
</tr>
<tr>
<td><strong>Information</strong>: Is the use of data in context, with relevance and purpose; therefore becoming a form of processing data.</td>
</tr>
<tr>
<td><strong>Knowledge</strong>: Is understood as judgements, experience, and analogies which are formed when performing an activity.</td>
</tr>
</tbody>
</table>
Although the three terms hold a complex relationship it is important to understand that “knowledge is derived from information the same way as information is derived from data” (Joia and Lemos 2010, 411). Knowledge originates in the mind of knowledge workers (Grippa 2009). Therefore, individuals hold an essential role in directing this change from information to knowledge; through interactions, experience and learning (Joia and Lemos 2010). This presents a key focal point for discussion and changes to management systems and practices in the case organisation. It is essential to note that this thesis only explores the private knowledge of firms, as “public knowledge exists in the general domain and can be easily imitated” (Leyland 2010, 291). Whereas private specific organisational knowledge holds the quality of uniqueness, and affords opportunities for achieving CA (Leyland 2010), as discussed in section 2.5. Furthermore, private knowledge becomes embedded in organisational routines and processes through continual use by individuals (Grippa 2009).

There are two different types of knowledge, tacit and explicit; which should be understood as two points along a knowledge spectrum rather that diametrically opposed (Nonaka and Takeuchi 1995). Explicit knowledge is generally acquired through education and training, it may be articulated in formal language through manuals (Sveiby 1997). On the other hand, tacit knowledge is considered informal, based on personal experience which is not easily transmitted (Nonaka and Takeuchi 1995). “This knowledge is highly personal and difficult... to reduce to writing. If expressed at all, it frequently takes on the form of analogies, metaphors, stories, or personal strategies that reveal insight into the ‘how’ and ‘why’ underlying an employee’s approach to tasks” (Holste and Fields 2010, 728). Both types of knowledge have impact on the knowledge creation process, however tacit is more influential in communities of practice and teams. Collective knowledge is considered a resource within organisations of the Knowledge Economy, and is described as intellectual capital (Grippa 2009).

2.4.1 Knowledge as Competitive Advantage

Since the rise of the Knowledge Economy, it has become evident that “knowledge resources are fast becoming critical intellectual assets that define a firm’s viability and competitive advantage” (Zhou and Fink 2003, 86). This competitiveness is achieved through an increase in intellectual capital and knowledge assets, as intangible assets. These intangibles develop value through the connection, generation and transfer of knowledge through the organisation. “A firm’s competitive advantage has been explained by both...market factors and a firm’s internal resource endowments” (Moustaghfír 2009, 250). There has been a change in competitive factors with the emergence of the Knowledge-based
View (KBV), which identifies knowledge as a resource in the Knowledge Economy (Nonaka and von Krogh 2003). This develops the idea that CA is dependent on the collection and combination, as well as the acquisition and development of organisational intangible assets (Nonaka and von Krogh 2003). It is important to note that a ‘sustainable’ CA comes from resources and strategies which are unable to be duplicated (Barney 1991). Barney (1991) emphasises that CA is not based on a time frame, rather than extended development of inimitable resources, strategy and valuable products. This inimitability is essential, however easy to achieve through complex social and learning mechanisms (Moustaghfir 2009).

Li (2010) identifies that the adoption of KM in organisations has seen a positive increase in performance and CA. This strong adoption of KM has seen the implementation of online knowledge-sharing systems and collaborative learning for the generation and transfer of knowledge between employees (Li 2010). CA is achieved provided organisations generate complex social and learning environments conducive to the creation of intellectual capital. An increase in these assets provides organisation with the opportunity to transfer the value of employee know-how into products and services (Moustaghfir 2009). This transfer of value is only possible with the development of KM strategy and understanding knowledge as a process rather than an object (Sveiby 2001). Furthermore, with the increasing need to become competitive there is a strong rationale to employ KM systems and practices to optimise the potential of organisational assets (James 2011).

2.4.2 Intangible Assets Associated with Competitive Success

This section provides definitions to generate an understanding of the types of assets organisation require in the Knowledge Economy. Here intellectual capital and knowledge assets are defined in table 2.2, identifying their ability to contribute to CA. Firstly, it is important to understand that these intangible assets are generated both within formal and social contexts; such as communities of practice (social) and teams (formal). Moustaghfir (2009) points out that these “capabilities are built internally though complex social and learning mechanisms, and formed by socio-technical process or organisational routines; they are path dependent, causally ambiguous and socially complex” (351). These characteristics emphasise that intangible assets are inimitable, non-substitutable and scarce, making prominent their ability to produce value and CA (Moustaghfir 2009).
Table 2.2: Definitions of Intangible Resources

<table>
<thead>
<tr>
<th>Intangible Resources</th>
<th>Definition</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intellectual Capital</td>
<td>“...the collective knowledge that is embedded in the personnel, organizational routines and network relationships of a organization.”</td>
<td>Kong and Thompson, 2009, 356.</td>
</tr>
<tr>
<td>Knowledge Assets</td>
<td>“...include a firm’s intellectual assets, and employees’ skills and know-how (Hall, 1993)”</td>
<td>Moustaghfir 2009, 340.</td>
</tr>
</tbody>
</table>

These definitions address the same key elements of knowledge and skills, therefore are used interchangeably or referred to as intangible assets. Knowledge assets encompass all intangible assets, however does not identify the collective aspects of knowledge, whereas intellectual capital does (Kong and Thompson 2009). Furthermore, “Intellectual capital... is commonly defined as the sum of an organizations resources encompassing collective tacit knowledge, human skills, experience and an intellectual resources that can contribute to value creation for the organization” (Kong and Thompson 2009, 358). This is the type of knowledge and skill organisations need to collect and combine to create holistic knowledge assets to generate value (Sveiby 2001). Kong and Thompson (2009) described intellectual capital as an umbrella concept which encompasses human capital, structural capital and relational capital.

Table 2.3: Three Aspects of Intellectual Capital

<table>
<thead>
<tr>
<th>Intellectual Capital Definition</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human Capital</td>
<td>“…subsumes various human resource elements, including cumulative tacit knowledge, competencies, experience and skills, and the innovativeness and talent of people.”</td>
</tr>
<tr>
<td>Structural Capital</td>
<td>“…refers to the learning and knowledge that is enacted in day-to-day activities.”</td>
</tr>
<tr>
<td>Relational Capital</td>
<td>“…represents an organizations relations with its external stakeholders and the perceptions that they hold about the organization, as well as the exchange of knowledge between the organization and its external stakeholders.”</td>
</tr>
</tbody>
</table>

Following from the definitions presented in table 2.3, human capital encompasses all knowledge created by individuals, brought in by new employees and lost due to the departure of individuals (Kong and Thompson 2009). Structural capital includes the databases and storage systems which support human capital in the development of efficient practice, which increases organisational performance (Kong and Thompson 2009). Kong and Thompson (2009, 359) identify that relational capital is the “loyalty of valuable customers...; the reputation and relationships that an organization has developed overtime... and the critical understanding and intelligence about competitors”. These definitions indicate the complexity of collective knowledge and skills. This emphasises the competitive elements of being rare, valuable, costly to imitate and non-substitutable (Kong and
Generating this value within organisations has been identified as key to the competitive success of organisation in the Knowledge Economy (Kaplan and Norton 2004). The following sections look at current and potential strategies, structures, KM practices, Human Resource Management (HRM) practice and culture for the success of organisations.

2.5 Organisational Strategy for the Knowledge Economy

Previously, organisations focused on industry analysis as the central aspect of strategy (Porter 1979). Porter’s (1979) ‘five forces’ industry analysis tool allowed organisations to evaluate the prevailing forces within and structure of a relevant industry sector in order to develop CA. The model evaluates five competitive forces which give rise to opportunities and treats affecting organisational strategy. Although the model allows organisations to compete within a particular market, it does not allow organisations to identify the internal processes influencing CA (McGahan and Porter 1998). These internal processes unaccounted for include: Structures and processes, management practices, intangible resources and the increasing importance of knowledge as a competitive asset.

In order to overcome the lack of internal perspective Porter (1998) developed the value chain, which analysed internal activities allowing potential opportunities to be observed. Porter (1998) sustains the ideal that strategy aims to enhance organisational performance and CA. In this sense the value chain shows how internal activities reflect overall strategy, by identifying important activities and where value lies. This internal perspective of organisational strategy emerged around the same time as the resource-based view (RBV) of the firm in organisational theory. Organisational theory focused on conceptualisations and models of business enterprise; identifying the focus of organisational strategy and structures (Grant 1996). Therefore it is important to talk about organisational theory alongside the discussion of strategic perspectives on management.

The RBV has conventionally been linked to strategic management, with strategic positioning based on physical resources and capabilities rather than products or services (Grant 1996; Barney 1991). The RBV and Porter’s value chain in combination provides organisations with understanding of the interaction of activities and their ability to create CA. Therefore organisations are able to build strategies based on the internal activities which generate value. Although this view of organisations is still important, it doesn’t capture the increasing importance of knowledge as a valuable resource. It is evident in that the RBV only discusses knowledge as a capability alongside physical resources; labelling it...
a “costly-to-imitate resource” (Barney 1991). This view of knowledge as a non-key resource brought about the development of the knowledge-based view (KBV).

Although Porter (1998) suggested that strategy should be focused on products and market positioning, organisations now need to compete on the basis of their unique capabilities. The Knowledge Economy determined that, knowledge must be central to the development of strategy, as its uniqueness and differentiating factors help to generate value in organisational activities, products and services. Simple product strategies, which are evident in the RBV, do not allow the strategic positioning of organisations in terms of their intangibles. The change from the RBV to the KBV has also come alongside the requirement for organisations to become sustainable in their competitive strategy in an increasingly globalised and interconnected market for product and services. The KBV clarifies the importance of knowledge, both internally and externally, for the development of value. Although the RBV was seen to provide a variety of value adding services, it is evident that there is a close relationship between knowledge held by individuals and the development of CA (Curado and Bontis 2006). The intangibles generated and transferred in work processes impact on the creation of value within products and services, rather than the interaction of the internal activities themselves (Curado and Bontis 2006).

2.5.1 Strategy and Knowledge Management

The introduction of the KBV has helped to fill the gap between the RBV and intangibles as key resources (Curado and Bontis 2006). The “KBV proposition states that the organisation exists to create, transfer and transform knowledge into competitive advantage” (Curado and Bontis 2006, 371) therefore emphasising the importance of knowledge. KM is utilised as a strategy for organisations to enhance knowledge. In order to align with the KBV proposition, KM utilises Nonaka’s SECI and Ba theories, to outline the process of knowledge generation and transfer. The SECI and Ba theories identify the process by which knowledge is generated and transferred; by explaining the relationship between explicit and tacit knowledge and the space in which they were created. The space in which knowledge is generated includes the physical, mental and virtual (cyber) places in which individuals interact and connect different pieces of knowledge and information (Magnier-Watanabe et al. 2011). These processes surrounded by strategies and structures help to develop KA, which in turn provide value and competitiveness.

Although this may be the case KM is only one aspect of organisational strategy. Organisations need to utilise knowledge creation and learning as an organising principle to create value through aligned management routines, structures and strategic practices. These
require a KBV perspective and as discussed in chapter 5 a supportive organisational culture. In practice many KM strategies are based around investment in information and communication technologies with a gradual refocusing towards people due to the shift in the understanding of knowledge as a process rather than an object (Sveiby 2001). “Ernst & Young for instance, the first of the Big Five to make heavy KM related investments; readily admit that their initial ~$100 million investment in IT systems were wasted” (Sveiby 2001, 1). Alignment of knowledge as a key resource and the development of strategy is essential for organisations to progress through the Knowledge Economy. KM is able to assume the role of emphasising knowledge strategically, however fails to support its growth from a human-based perspective (Curado and Bontis 2006). Organisational knowledge strategy needs to emphasise the human side of knowledge to further develop value. Therefore it would seem appropriate for organisations to combine HRM initiatives aimed at engaging employees in KM strategy. Beyond strategy, organisational structure influences the interaction of employees and their knowledge contributions.

2.6 Organisational Structure Promoting Knowledge-Sharing

In order to achieve knowledge acquisition as suggested by strategy, organisations must align structures to increase knowledge-sharing. Leyland (2010, 198) identifies that these “knowledge structures are created out of the need to manage knowledge resources, control access to knowledge and ensure that strategy is effectively implemented”. This results in new structures which embrace the social dimensions of knowledge; focusing on the “interaction between employees, sharing of ideas and information” (Leyland 2010, 191). McGee (2003) reported that decentralisation and flatter structures initiated “a contemporary shift away from formal, hierarchic mechanisms of communication and control to more flexible and less formal ways of managing... relationships” (147). This notion is supported by Luthans (2011) identifying that organisations are moving away from vertical structures towards horizontal designs in order to cope with the volatile and changing business environment. Luthans (2011) established that “the horizontal organisation advocates the dispensing of internal boundaries that are an impediment to effective business performance” (64). These flatter structures require organisations to focus on new organising principles which see teams managing more of the workload (Luthans 2011).

The theory of networking allows organisations to take a foothold in the changing business environment (Krammer and Wells 2005). This allows organisations to bundle employee knowledge so it is accessible, understandable and useful in all communities, as well as “generating new context-specific knowledge through personal interaction building...
linkages” (Kramer and Wells 2005, 429). The networking theory “proposes that strong links are built through repeated, sequential forms of interaction, obeying rules of reciprocity, which evolve into common understanding of mutual commitments” (Kramer and Wells 2005, 430). These strong links increase the opportunity to develop knowledge assets though the opportunity presented to engage in double-loop learning (Kramer and Wells 2005). Double-loop learning allows individuals to learn and therefore change assumptions and understanding about particular situations (Lytras and Sicilia 2005). This learning is a result of continuous transfer of knowledge, and allows both the individuals and the organisation to improve performance (Lytras and Sicilia 2005).

Networking theory is an essential organisational design mechanism that helps to initiate knowledge transfer. Luthans (2011) suggested that networking is a type of collaboration or joint venture that can enhance competitive success through the exploration of new knowledge. An example of networking theory is crowd sourcing; it “involves drawing on the mental powers of a cognitively diverse group to generate ideas” (Cain 2011, 026). To ensure knowledge generation and transfer is achieved, organisations need to develop a structure which enhances these processes. These structures should not only be understood as physically existing but also existing in a virtual sense. The virtuality of grouping individuals enables boundary reduction, which increases efficiency through the linking of a phenomenal number of individuals across a vast range of locations (Luthans 2011).

Wenger and Snyder (2000) discussed ‘communities of practice’ as a structure which enables the networking of individual’s information and knowledge. These “communities of practice are emerging in companies that thrive on knowledge” (Wenger and Synder 2000, 143). Communities of practice are described as physical and virtual informally bound groups of individuals with similar expertise, sets of problems and understanding of a topic, who interact and share knowledge in a free-flowing form (Wenger and Synder 2000; Jashapara 2011). Individuals in these networks are generally self-selected, based on whether they fell they have something to give or gain (Wenger and Snyder 2000). These types of employee interactions have been seen to improve organisational performance as they can drive strategy, generate new lines of business, solve problems, promote the spread of best practice, develop people’s professional skills, and help companies recruit and retain talent (Wenger and Snyder 2000; Jashapara 2011). The following case example of communities of practice at Hewlett-Packard was given by Wenger and Snyder, demonstrating how KM managers can support the process and that collective knowledge is beneficial.
Communities of practice can be discussed as an overarching idea that incorporates internal teams and technology aided networks. Although communities of practice are generally self-organised and informal groups of individuals they benefit from cultivation (Wenger and Snyder 2000). By cultivating communities, managers are able to draw on the benefits of teams such as the selection of members based “on their ability to contribute to the team’s goals” (Wenger and Snyder 2000, 142). Teams allow diversity of knowledge which is “associated with enrichment of ideas” (Rosendaal 2009, 5). The selection of members will increase the “core of participants whose passion for the topic energizes the community and who provide intellectual and social leadership” (Wenger and Snyder 2000, 141). Through aligning both teams and communities of practice to bundle employees expertise, organisations hold the ability to increase collaborative idea generation. Wenger and Snyder (2000) point out that communities of practice are not prevalent as the term is fairly new and only some forward-thinking organisations have taken on the challenge of developing and sustaining this efficient method of knowledge generation and transfer.

Some organisations have been able to “overcome the managerial paradox inherent in communities of practice” (Wenger and Snyder 2000, 140). They suggest that organisations need to bring individuals with expertise together and provide them with supporting infrastructure to knowledge-share (Wenger and Snyder 2000). It is important for organisations to understand that these structures are more successful when individuals have the ability to share knowledge in a non-formal or semi-formal context, where an agenda is not necessarily followed (Wenger and Snyder 2000). This gives the opportunity for creative discussion of knowledge and ideas, which gives rise to the realisation that knowledge development is essential and targets the challenges of the Knowledge Economy. Finally, managers need “to appreciate the paradox that these informal structures require specific managerial efforts to develop them and then integrate them into the organization so that their full power can be leveraged” (Wenger and Snyder 2000, 145).
2.7 Knowledge Management Theory

“There is a broad recognition that effective management of knowledge is essential to the success of modern firms” (Holste and Fields 2010, 128). As a fairly broad discipline KM has played a pivotal role in achieving CA through emphasising the importance of knowledge for organisations (Hlupic et al. 2002). As a managerial effort it identifies knowledge as a source of lasting CA (Hlupic et al. 2002). The management of organisational knowledge is vital as it exists in a variety of places and forms (Hlupic et al. 2002). The following section addresses the theory of knowledge creation, identifying the complexity of knowledge building and an understanding of where knowledge lays within an organisation.

2.7.1 Knowledge Creation and Sharing

Since the emergence of the Knowledge Economy “the need has never been greater for understanding the complicated process of knowledge sharing” (Li 2010, 38). This section identifies the theory of knowledge creation, as well as the process of knowledge-sharing. “Organizational knowledge creation is the process of making available and amplifying knowledge created by individuals as well as crystallizing and connecting it to the organization’s knowledge systems” (Nonaka and von Krogh 2003, 635). The SECI theory identifies the relationship between explicit and tacit knowledge; which is essential in knowledge creation (Nonaka and Konno 1998). The relationship between the two knowledge states within SECI is known as the ‘knowledge conversation’:

“...this conversion is a social process between individuals; it is not confined within an individual. Knowledge is created through interactions between individuals with different types and contents of knowledge. Through this process of social conversation, the quality and quantity of both tacit and explicit knowledge expands” (Nonaka and Takeuchi 1995, 59).

In theory this conversation captures the interaction between personal subjective knowledge (tacit) of one individual as it is combined with another individuals tacit or explicit knowledge; allowing continual expansion (Nonaka 1994).

Nonaka and Konno (1998) provides four modes of the knowledge conversation (table 2.4); socialisation, externalisation, combination and internalisation. Socialisation is the movement of tacit knowledge toward tacit knowledge; which is retrieved through shared experience (Nonaka and Konno 1998). Externalisation sees tacit knowledge change into explicit knowledge, which is the recording and storage new knowledge (Nonaka and Konno 1998). The combination mode joins two pieces of explicit knowledge to create a new understanding, and finally through experiences with explicit knowledge internalisation occurs to develop personalised tacit knowledge (Nonaka and Konno 1998).
The SECI Process

### Socialization
- Knowledge accumulates through interactions of experience between two individuals.
- Collecting social information generated between experts, colleagues and competitors.
- Collaboratively developing internal information for new ideas and strategy.

### Externalisation
- Creation of new explicit concepts.
- Recording of tacit knowledge as explicit, allowing effective transfer of new usable knowledge.
- Strategy can be developed from the collective or individual explicit knowledge and information concept creation.

### Internalization
- Personal experience increases tacit knowledge.
- Challenging tasks which promote learning and understanding will stimulate internalization.
- Individual experimentation and sharing of results will improve processes.

### Combination
- Develops complex explicit knowledge for planning.
- Connection of internal and external data and forecasts.
- Enable enhanced dissemination of knowledge; providing employees with usable documents, manuals and databases.

The SECI theory’s foundation aligns with the theory of ‘Ba’ developed by Kitaro Nishida Japanese philosopher. *Ba* is understood as the context in which knowledge is shared, created and utilized (Nonaka and Konno 1998) in any physical, virtual or mental space. Since the development of this theory seminal work by Nonaka and Konno (1998) provides that the context or place of knowledge creation influences idea generation and problem solving. As *Ba* is the platform for which the SECI process takes place, the interaction of individuals within a particular space will enable the recreation and amplification of knowledge (Nonaka and Konno 1998). There are four modes of *Ba* (table 2.5), which support the interaction of individuals in the SECI process; these are originating, dialoguing, systemising and exercising.

### Table 2.5: Ba: Knowledge Creation Theory (Source: Nonaka and Konno 1998, 498 – 501).

<table>
<thead>
<tr>
<th>Expression</th>
<th>Understanding</th>
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<tbody>
<tr>
<td><strong>Originating Ba</strong></td>
<td>“the place where individuals share feelings, emotions, experiences and mental models” (Nonaka and Konno 1998, 498). Nonaka and Konno (1998) identified this as the starting point for creation, generally face to face communication.</td>
</tr>
<tr>
<td><strong>Dialoguing Ba</strong></td>
<td>“the place where individuals’ mental models and skills are converted into common terms and concepts” (Nonaka and Konno 1998, 500). This is where individuals with the right knowledge and skills are able to synthesise and bundle knowledge for application (Nonaka and Konno 1998).</td>
</tr>
<tr>
<td><strong>Systemizing Ba</strong></td>
<td>“a virtual world rather than real time and space” (Nonaka and Konno 1998, 500). In collaborative environments individuals develop new systemic knowledge through combination of explicit knowledge. In a virtual sense, individuals are able to connected documents efficiently for best practice.</td>
</tr>
<tr>
<td><strong>Exercising Ba</strong></td>
<td>“the place where the conversation of explicit knowledge into tacit knowledge is facilitated (Nonaka and Konno 1998, 501). Creation, refinement and continual learning take place (Nonaka and Konno 1998); leading to the development of valuable IC.</td>
</tr>
</tbody>
</table>

Aligning the SECI and *Ba* theories identifies a greater understanding of the creation of intellectual capital and the development of different types of tacit and explicit knowledge.
To provide more depth, *Ba* can be seen on many ontological levels with knowledge being generated at the individual, team and cross departmental levels; which in turn develop the *Ba* of an organisation (Nonaka and Konno 1998). Increasingly, the *Ba* of an organisation is found in a virtual or cyber space; allowing organisations to connect a phenomenal number of individuals for knowledge sharing (section 2.6) (Magnier-Watanabe et al. 2011). Nonaka and Konno (1998) suggested that the interactions between individuals must be strategically aligned with organisational values and objectives to strengthen the value of intellectual capital. Within this process intellectual capital is seen as a firm specific resource that is indispensable to the creation of value for organisations. In order to adhere to generating specific knowledge and the development of valuable assets, it is clear that organisations are required to develop effective management practices that will encourage individuals to share the right types of knowledge.

### 2.7.2 Re-defining Knowledge Management

Since the rise of the KM discipline many academics have place extensive attention to defining (table 2.6), and understanding the scope, processes, philosophies and outcomes, associated with the new aspects of management (Zhou and Fink 2003). This section calls for a second generation of KM by addressing the pitfalls of the first generation in attaining organisational learning and value creation. It is evident that there is little coherence in the understanding of KM as an interdisciplinary field of study and practice. (Rowley 1999; Firestone and McElroy 2005; Jashapara 2011). The two most common conceptions of KM are IT and people oriented knowledge-sharing and transfer (Jashapara 2011). The discourse on KM has seen a transformation of the underlying philosophies and outcomes, moving from a technical focus to a soft human capital focus (Easterby-Smith and Prieto 2008).

The diversity of definitions (table 2) has given rise to the idea that IT based KM is no longer the forefront of the discipline (Easterby-Smith and Prieto 2008). “If knowledge management was purely information systems, current tools and business processes would suffice” (Jashapara 2011), however the need has grown to manage “the process of developing, sharing and using tacit knowledge, skills and expertise” (Easterby-Smith and Prieto 2008, 241). “The goal of effective knowledge management is for the organisation to learn, evaluate, transfer and institutionalise knowledge, constantly filling any gaps between strategic management processes (strategies, goals, cultures, structures), dynamic environmental needs (Knowledge Economy, state-of-the-art technology) and HRM systems (rewards, recruitment, performance management)” (Hartell and Fujimoto 2010, 72 - 73). This shift away from information and communication technologies identifies the need to
redefine KM to focus on blending Nonaka’s SECI and Ba concepts, with current networking, virtual technology, human resource and organisational culture theories.

Table 2.6: Definitions of Knowledge Management

<table>
<thead>
<tr>
<th>Knowledge Management</th>
<th>Definition</th>
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<tbody>
<tr>
<td>Davenport et al. 1998.</td>
<td>Is the identification, sharing and creation of both explicit and tacit knowledge, through the use of knowledge repositories.</td>
</tr>
<tr>
<td>Swan et al. 1999, 262.</td>
<td>“...any process or practice of creating, acquiring, capturing, sharing and using knowledge, where ever it resides, to enhance learning and performance in organisations”</td>
</tr>
<tr>
<td>Loshin 2001, 56.</td>
<td>“...is the art or science of collecting organizational data and, by recognizing and understanding relationships and patterns, turning it into usable, accessible information and valuable knowledge.” This includes the use of relational database management systems, data warehousing and data cleansing to advise knowledge audits, analysis and flow.</td>
</tr>
<tr>
<td>Firestone and McElroy 2005.</td>
<td>Is characterised by confusion over its conceptual foundations and scope. It’s essentially a set of strategies and processes which change organisational patterns and networks of knowledge to enhance both it and its outcomes.</td>
</tr>
<tr>
<td>Hawryskiewycz 2010, 5.</td>
<td>“It focuses on the need to develop collaborative knowledge networks, which are increasingly global in nature and which support people with the technology needed to work across distance to foster the innovation needed to remain competitive in global environments.”</td>
</tr>
</tbody>
</table>

The transition of KM from the late 1990s till present (shown in table 2.6), demonstrates a change in the ontology of how knowledge is constructed. Easterby-Smith and Prieto (2008) suggest that literature has “focused on IT-based tools and systems” (241) such as; data mining and warehousing in order to codify and organise knowledge into repositories. This creates the ontological assumption that new knowledge is generated through the connection of explicit data and information within IT systems (Venters 2010). Simply it was seen as an organising principle which focused on providing “the right information, to the right people at the right time” (Hlupic et al. 2002, 92). These functionalist KM designs have the epistemological assumption that knowledge is objective; focusing on accessing knowledge, grounding knowledge in processes, using accessible knowledge in decision making and valuing knowledge through standard accounting (Rowley 1999). The four broad objectives associated with this approach to KM include: creating knowledge repositories, improving knowledge access and managing knowledge as an asset (Davenport et al. 1998). These objectives are linked to the new understanding of first and second wave technologies in KM.

Venters (2010) brings together a discussion of technologies which are closely aligned with the field of KM. Clarifying that the first wave of technologies were developed in the post-industrial society and aimed at “managing knowledge, supporting individual learning and direct communication” (Venters 2010, 162). Davenport and Prusak (1998) identify
these first wave technologies as support systems, intranets, data-warehouses and video conferencing. These first wave technologies enabled the success of KM objectives, through ordering, transferring, searching and disseminating human knowledge within a machine enhancing work practices through efficient knowledge (Venters 2010). Although these first wave technologies are not the focus of this research it is important to understand them as they still play a major supportive role in the management of organisational knowledge (Venters 2010).

As the KM discipline has grown, ontological assumptions have shifted towards the understanding that knowledge in organisations is socially constructed. This has resulted from the understanding that “technical solutions cannot provide a full understanding of the complex situations and lack the emotional processes, and thus management of people, social networks and communities” (Easterby-Smith and Prieto 2008, 241). The epistemological assumptions associated with earlier KM has not allowed for the subjectivity, experience and value generated in socially constructed knowledge (Hlupic et al. 2002). This understanding of knowledge construction, acknowledges that it is a dynamic process which is assembled by individual actions and interpretations (Venters 2010).

This social construction is demonstrated by SECI and Ba presented in section 2.7.1. This movement into socially constructed knowledge and KM research has been influenced by organisations becoming more knowledge based by nature; with focus on generation and transfer of the valuable knowledge (Zhou and Fink 2003). Venters’ (2010) presents the argument that technology is shaped and institutionalised in order to provide a support system for socially constructed knowledge generation and transfer. Venters (2010) identifies that IT-based systems for stabilisation or management inhibit the ability to create knowledge; as this technology is “a stagnant information dissemination tool” (170). However, second wave technologies have been developed to take foothold within new KM initiatives and strategies which focus on collective knowledge-sharing (Venter, 2010).

These technologies include; networking, knowledge communities, social networking, web 2.0, taxonomies, and the semantic web (Venters 2010). The development and use of these second wave technologies has seen the change towards a more strategic and holistic role of KM (Venters 2010). Although there are many technologies which are seen to aid the generation and transfer of knowledge, the engagement of employees is the next step to the process. Emphasising the gap of keeping employees engaged in the process of knowledge generation and transfer. Some IT-based social networking systems are successful without direct management; however may fail as they become chaotic or boring for employees
Nonaka and Konno (1998) suggest that grasping tacit knowledge that is shared at a collective level through technology will enable new knowledge development and efficiency in the business process. Although SECI and Ba occur without control, organisations need to encourage the knowledge conversation through communities of practice and teams. The next section identifies some of the issues associated with knowledge-sharing through both teams and technology.

2.7.3 Issues and Opportunities Associated with Knowledge-Sharing

This section identifies some of the factors which affect knowledge transfer such as; teams and groups, organisational structure, the willingness of individuals and new technology. It also discusses some of the opportunities available to ensure that knowledge transfer is possible. This section concludes with a framework that addressed four steps in the knowledge transfer process, which ensures strong relationships are generated.

Knowledge transfer as a social process that flows between individuals and group (McNichols 2010); without this process “learning is limited to an individual level, from which an organisation can only profit as long as employees intent to apply their knowledge” (Rosendaal 2009, 6). Therefore for organisational benefit knowledge-sharing needs to occur at a collective level, allowing individuals to work collaboratively increasing the ability of learning and the achievement of individual as well as organisational goals (Rosendaal 2009). Although the outcomes stemming from teams are beneficial; elements such as social identification and mutual trust also have an effect on outcomes. Social identification is the level to which individuals are able to associate themselves with a group based on the characteristics which they share, which leads to a feeling of belongingness (Rosendaal 2009). Strong identification enables individuals to define their purpose and role as a team working toward common goals (Rosendaal 2009). Rosendaal (2009) concluded “that the more team members identify themselves with their team, the more they are inclined to share their knowledge with other team member” (11). These relationships require the development of mutual trust, through the sharing of culture and values to minimise the risk and uncertainty of knowledge transfer (Joia and Lemos 2010). Joia and Lemos (2011) suggest that teams require clear goals and strong attachment to the subject, culture and values in order for organisations to benefit from the outcomes of knowledge transfer.

Alongside these collaborative knowledge transfer issues, the willingness and motivation of each individual also impacts on knowledge-sharing. This perspective stems from the understanding that tacit knowledge is at the centre of knowledge transfer, and is based on individual themselves (Holste and Fields 2010). Willingness is linked back to the ideas of
trust, as individuals may only wish to share if co-workers are seen as trusted recipients (Holste and Fields 2010). Holste and Fields (2010) extend this discussion identifying two types of trust; “affect-based trust... is grounded in mutual care and concern between workers, [whilst] cognition-based trust... is grounded in co-worker reliability and competence” (129). The development of teams with a strong social identification will enable the development of trust between workers. Although Holste and Fields (2010) conclude that both types of trust increase willingness, they also suggest “that unless affect-based trust of another co-worker is present, little tacit knowledge-sharing may occur regardless of how competent the possible recipient may be” (135).

Although willingness and motivation take on similar meanings, the motivation of individuals may be influenced by organisational practices rather than perceived trust and relationships which are difficult to render. Lam and Lambermont-Ford (2010) identify three types of motivation which may influence one’s readiness to share; extrinsic, normative intrinsic and hedonic intrinsic defined in table 2.4. Lam and Lambermont-Ford (2010) examine these types of motivation in the context of knowledge transfer and identify that extrinsic motivators, such as piece pay and pay-for-performance, are external influences to knowledge transfer. Joia and Lemos (2010) also suggest that tailored training, such as mentoring, provides employees with effective skills for knowledge transfer.

### Table 2.7: Types of Motivation (Source: Lam and Lambermont-Ford 2010, 52-53)

<table>
<thead>
<tr>
<th>Extrinsic</th>
<th>Intrinsic</th>
</tr>
</thead>
<tbody>
<tr>
<td>“...allows individuals to satisfy their needs indirectly by obtaining additional resources” (Lam and Lambermont-Ford 2010, 52).</td>
<td>Individuals gain instant satisfaction from completing a task as, the value of the activity is important to themselves (Lam and Lambermont-Ford 2010).</td>
</tr>
<tr>
<td><strong>Normative</strong></td>
<td><strong>Hedonic</strong></td>
</tr>
<tr>
<td>“Normative intrinsic motivation is directed towards the individuals sense of compliance with personal and social norms, expressed at an organisational level through the organisation’s espoused values, and for their identification with the social groups to which they affiliate” (Lam and Lambermont-Ford 2010, 53).</td>
<td>“Hedonic intrinsic motivation is derived from engagement in self-determined, competence enhancing and enjoyable activities achieved through physical and social well-being and improvement in the individuals conditions” (Lam and Lambermont-Ford 2010, 53).</td>
</tr>
</tbody>
</table>

Lam and Lambermont-Ford (2010) suggest that individuals need to realise the potential of knowledge as a public resource rather than a private one. In order to address this social dilemma from a normative perspective, organisations must change “appraisal and rewards systems, as well as inculcating values aligned with acceptable and encouraged practices” (Lam and Lambermont-Ford 2010, 55). Joia and Lemos (2010) also identify that rewards and appraisal systems support knowledge transfer and creation of ideas, whilst penalties discourage innovation and thinking. These changes to the payoff function will move focus
from an individual level to a group/organisational level, which will “encourage cooperative action, as peer pressure will come into play” (Lam and Lambermont-Ford 2010, 55). Although this motivational standpoint is directed at a holistic level of sharing it must also recognise the contribution of individuals and be aligned with hedonic motivators. Organisations must create “an environment that allows individuals to satisfy their motivational preferences and concord with their needs for self-determination and self-esteem” (Lam and Lambermont-Ford 2010, 55). Lam and Lambermont-Ford (2010) suggested that the overall social dilemma associated with knowledge transfer is “overcome through normative motivation, with provision of hedonic motivation supported by extrinsic incentives such as training and career progression” (63).

As with most things, technology has been used to improve the way we operate, and in recent years “new technologies and tools have emerged... that are of great importance for knowledge management, organisational learning, and knowledge-building purposes” (Kimmerle et al. 2010, 33). Joia and Lemos (2010) suggest that technology has the ability to provide rich knowledge that facilitates understanding and increase the value of knowledge, due to the speed at which it can be transferred. These new technologies “facilitate and support a specific form of interplay between individual and social knowledge process”, such as the “communication, collaboration and interaction between people in large communities” (Kimmerle et al. 2010, 33). Although these technologies are typically internet based, organisations may benefit by bring together geographically challenged expertise (Kimmerle et al. 2010). These technologies support the change in organisational structures becoming more flexible and allowing knowledge-sharing to be more accessible.

McNichols (2010) suggest that knowledge transfer is a laborious, time-consuming and difficult task, which is amplified by the social aspects of working relationships and may fail due to the lack of pre-existing relationships. Kramer and Wells (2005) developed a four step process which identified how networks should be developed for effective knowledge transfer. The four stages (figure 2.1) include: Establishing good will, Achieving reciprocity, knowledge utilisation and creating long-term alliances. This process allows strong ties and relationships to be built between individuals engaging in knowledge-sharing, when communities or teams are developed. It also helps to reduce the effects of issues relating to: Trust, reliability, social identification and willingness. It is important to build these strong relationship, as collaboration is one of the most effective ways for an organisation to problem solve and build knowledge assets.
2.7.4 Knowledge Management Mindset

Smith et al. (2010) identified that creating the right ‘mindset’ in KM is essential in developing a knowledge-sharing culture. This can be seen as the beginning point of engaging employees in the process of knowledge-sharing. “The concept of mindset has its roots in the fields of cognitive psychology and organizational theory, where researchers have investigated how organizations make sense of their surroundings with which they interact” (Gupta and Govindarajan 2002, cited in Smith et al. 2010, 112). The KM mindset within an organisation identifies how employees engage in knowledge; “think about how knowledge is or can be used in both everyday work and in business strategy” (Smith et al. 2010, 112). Smith et al. (2010) identify that a KM mindset is generated by clearly communicating the purpose of knowledge and its outcomes as well as the functions of KM within the organisation. The KM mindset is a way of involving individuals in knowledge-sharing and generation (Smith et al. 2010) and should be linked to organisational culture which is addressed in section 2.9.

Although it is shown that first wave technologies are no longer the central aspect of the discipline they are still vital, as technological platforms to build the structure around the social construction of knowledge (Hlupic et al. 2002; Burstein et al. 2010). The most confusing element within the KM literature is the inconsistency between the ontological and epistemological assumptions surrounding the use and generation of knowledge (Hlupic et al. 2002). However, both views of KM, technical and human, are essential for strategic KM as
it “refers to a long-term process that uses both tacit and explicit knowledge to cultivate organisation learning” (Hartell and Fujimoto 2010, 77). Ultimately KM is able to increase CA through the effective management of technology, infrastructure, culture, knowledge and employees (Hartell and Fujimoto 2010). These elements all work towards organisational learning which if gained will increase KA. Hartell and Fujimoto (2010) identify that the strategic management of these elements is not enough as knowledge as an organisational asset falls under HRM.

2.8 Human Resource Management as a Partner in Knowledge-Sharing

Prior to the KBV, HRM practices were embedded in the thinking and practice of the post-industrial society, and in some cases still are (Redman and Wilkinson 2009). Traditional HRM practices demonstrate a poor fit with collaborative knowledge work; due to the representation of employees as labour costs rather than assets and HRM focusing on the measurement and description of traditional job roles, tasks and activities (Redman and Wilkinson 2009). Since the days of industrial welfare in the 1890’s there has been an increase in the management of people in some respect; leading to a change in the definition of HRM (Redman and Wilkinson 2009). By the late 1990s both academic and professional publications increasingly emphasised a more strategic role to HRM moving from administrative processes toward the deployment of a highly committed and capable workforce and the development of a human capital perspective (Redman and Wilkinson 2009; Burton-Jones 2011). Burton-Jones (2011) further identifies human capital as the knowledge, skills and abilities of an individual, of which organisations invest in for future returns.

Strategic HRM is future planning and decision making surrounding the development of human capital resources and activities which enable the achievement of goals (Wright and McMahan 2011). The human capital perspective of HRM is essential as it focuses on unique intangible resource, of which individual cannot be separated from, as opposed to physical assets (Wright and McMahan 2011). Individuals are the most important aspect of KM, thus strategic HRM requires “strategies aimed at talent retention and maximising individuals willingness to contribute” (Burton-Jones 2011, 39). The opportunity here is alignment of HRM and KM, gives HRM the ability to position itself as a strategic partner (Whicker and Andrews 2004). Although this is the case there is limited literature surrounding the alignment of KM and HRM.

As a strategic partner HRM should “…staff the organisation with people who have appropriate knowledge and expertise for the required roles, ensure the work undertaken
contributes to achieving the organisation’s goals, and develop systems and process that encourage good practice” (Debowski 2006, 111). Strategic HRM identifies knowledge as in the human mind and understands that the benefits of its management are largely intangible, as well as promotes the importance of the organisations knowledge agenda and the priority of knowledge-sharing (Debowski 2006; Hartell and Fujimoto 2010). McNichols (2009) suggests that creating a knowledge-sharing culture, establishing mentoring programs, initiating team work and combining individuals with complementary skills will enable efficient knowledge transfer. However, these activities alone will not increase the ‘soft skills’ employees require to engage in the transfer process (Debowski 2006). Many researchers suggest that selection and recruitment will help to retain the best talent; performance management, motivation and engagement help identify participation in KM activities; ongoing training and development increase learning; and finally planning and structuring of employee capabilities will contribute to long term organisational capacity building (Raich 2002; McNichols 2010).

The following section identifies many different HRM initiatives which may be employed as deliberate interventions which increase commitment to KM. Through engaging in these initiatives organisation will benefit from the development of sustained learning achieved through greater engagement and commitment to knowledge-sharing (Hartell and Fujimoto 2010).

2.8.1 Human Resource Management Initiatives to enable Knowledge Management

Whicker and Andrews (2004) indicated that knowledge capabilities and intangible assets are key in developing CA, therefore placing employees’ knowledge and know-how at the centre of strategic development. The management of employees as a resource is important as they are the access point for leveraging, generating and transferring new knowledge for strategic advantage (Whicker and Andrews 2004). Drucker (1993) originally proposed the idea that some employees should be seen a knowledge workers as far back as the 1950s (Whicker and Andrews 2004). HRM not only needs to understand who knowledge workers are, it also requires an understanding of how the work performed differs from traditional tasks, activities and functions. The Economist Intelligence Unit (2006) reported that “knowledge work provides CA precisely because it involves creativity, innovation and decision-making” (79). Individual knowledge workers work both autonomously and collaboratively to problem solve and produce knowledge drawing on tacit knowledge, high level skills and relationships; bringing labour-saving benefits to the organisation (Whicker and Andrews 2004; Hartell and Fujimoto 2010).
Hartell and Fujimoto (2010) identify 3 differing aspects of knowledge work; as a profession, as an individual characteristic and as an individual activity. For the purpose of this research, viewing knowledge work as an individual characteristic is the most significant. This view focuses on the employee’s contribution to value, rather than the job or education (profession) or work produced only in the mind (activity) (Hartell and Fujimoto 2010). Knowledge work from this respect is valuable as individuals can share and generate new knowledge, as well as transfer value into products and services. HRM is able to contribute to the ongoing performance of knowledge workers, through performance management, motivation strategies, remuneration and learning and development programs (Whicker and Andrews 2004). However prior to doing this, organisations have to plan and build a knowledge workforce which holds the appropriate knowledge expertise, understands the value of knowledge collaboration, and meets role expectations (Debowski 2006).

Without well planned HRM initiatives knowledge workers will not develop the right skills and competencies, and may experience lowered motivation, therefore disintegrating organisational ability to utilise knowledge appropriately (Newell et al. 2002). According to Whicker and Andrews (2004) the role of HRMs in mapping knowledge and skills and establishing relationships plays a pivotal role in assisting “HR to anticipate and plan for emerging knowledge needs” (161). “Knowledge risk refers to the real or potential loss of knowledge either through underutilisation or loss of valuable hard-to-replace knowledge when people leave the firm” (Whicker and Andrews 2004, 161). Therefore, HRM need to “focus on ‘head contents’... identifying where the ‘knowledge risk is’” and identifying “the strategic knowledge capabilities and how they are supported” (Whicker and Andrews 2004, 162). Debowski (2010) suggested that in order to overcome loss of knowledge, when employees leave exit interviews, performance appraisals and monitoring of knowledge-sharing will enable further retention of knowledge. Once HR managers have identified where knowledge lies and the types of specific abilities employees require they are able develop initiative which will help with the increase in knowledge acquisition.

Recruitment and selection, provides the opportunity to build knowledge bundles with related skills and capabilities. This long-term planning mechanism enables the creation of a flexible future facing workforce which holds strategic knowledge capabilities. Understanding these knowledge capabilities is central to HRM, as “the aim of recruitment and selection... is to source high calibre talent possessing a range of skills and capabilities related to the strategic knowledge areas” (Whicker and Andrews 2004, 159). This initiative also encompasses the identification of required competencies, reviewing individual’s needs to gain competencies, and the orientation of new employees (Debowski 2006). Here HRM
develops value through the provision and bundling of expertise, which can be applied to problem solving through knowledge-sharing.

HRM needs to look at the organisation holistically, understanding the “strategic capabilities of the organisation... and where the pockets of skills and expertise lie” (Whicker and Andrews 2004, 161). Not only does HRM have to locate bundles of knowledge through recruitment, it also has to be able to develop and increase the potential of capabilities held by individuals within the organisation. HRM is able to efficiently deploy skills and knowledge through specific training and development initiatives. Which provide knowledge workers with the generic capabilities and “abilities to adapt, learn, collaborate and share knowledge” (Whicker and Andrews 2004, 16). These support ongoing tasks and help individuals grow (Debowski 2006). Jashapara (2011) suggests that training programs need to be implemented to provide individuals the specific knowledge, skill and attitudes required at an individual and a job level in order to reach organisational objectives. HRM must identify the gaps between the training needs of employees and training needs of the organisation (Jashapara 2011).

“Once training needs have been identified, the training solutions can be designed by considering a number of strategies and interventions” (table 2.8) (Jashapara 2011, 310). The appropriateness of these training programs depends on whether or not they meet organisational objectives (Jashapara 2011). “Increasingly, organisations recognise the need to encourage the development of individuals, leaders and teams” (Debowski 2006, 113). Hartell and Fujimoto (2010) suggest that empowerment and team building helps to initiate an individual’s ability to innovate and explore by increased collaboration and co-operation and the development of emotional intelligence. The emotional intelligence of a group links back to the discussion of social identification in section 2.7.3. Aside from this learning and development strategies may need reviewing, to ensure they align with the specific needs of individuals and their roles (Whicker and Andrews 2004). HRM is able to employ questionnaires, feedback sheets, testing, training observations and discussion with participants to initiate conversation surrounding the effectiveness of training and development (Jashapara 2011).
Table 2.8: Training and Development Initiative (Source: Jashapara 2011, 310)

<table>
<thead>
<tr>
<th>Training and development initiatives</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>On-the-job Training</td>
<td>This enables individuals to learn as they go by doing or watching, however can be detrimental when the other individual teach does not have to correct skills/knowledge.</td>
</tr>
<tr>
<td>Planned Organisation Experience</td>
<td>“Can involve mentoring or coaching. In mentoring a senior or experienced employee acts an adviser to a trainee in terms of professional and emotional support” (Jashapara 2011, 310).</td>
</tr>
<tr>
<td>In-house programmes</td>
<td>Intranets are utilised to deliver e-learning opportunities which increase technical knowledge and skills, which can lead to externally validated qualifications.</td>
</tr>
<tr>
<td>Planned Experience Outside the Organisation</td>
<td>“Visits to competitors and suppliers can provide fruitful learning experiences” (Jashapara 2011, 310).</td>
</tr>
<tr>
<td>External Courses</td>
<td>This type of learning usually leads to qualification by engaging in course run by other organisations, however examination of these types of training is imperative to ensure it links to organisational objectives.</td>
</tr>
<tr>
<td>Self-managed Learning</td>
<td>Individual employees take full responsibility for planning and organising their own training and development.</td>
</tr>
</tbody>
</table>

McNichols (2010) suggest mentoring as an effective training mechanism which fosters knowledge transfer. In order to ensure mentoring is effective there must be mutual trust and a strong relationship, two ideas that were addressed in section 2.7.3. Mentoring is similar to on-the-job training, where a senior employee guides an entry level employee or new member to the organisation, on all aspects of their positions as well as providing emotional support (McNichols 2010). Germain (2011) suggest that mentoring programs will provide continual learning, information and knowledge as well as development. McNichols (2010) established that in order for these programs to be affective organisational processes and management should be supportive of knowledge transfer.

Teams are another effective way of transferring knowledge throughout the organisation, and will reduce the cost and time constraints of mentoring (McNichols 2010). Although teams and communities of practice are effective in supporting the knowledge transfer process, a lack of employee commitment may be detrimental. Therefore, HRM needs to be involved in creating social identification within teams, as well as generating emotional commitment to organisational objectives through employee involvement programs. As discussed in section 2.7.3, social identification helps individuals to feel part of the team, increasing the levels of mutual trust and therefore knowledge-sharing (Rosendaal 2009). HRM is able to assist in generating social identification though establishing clear communication channels and ensuring the right bundles of employees are working together, through planning. Furthermore, HRM can implement commitment strategies such as, employee involvement, rewards and recognition to facilitate the engagement of employees in knowledge-sharing in both face-to-face situation and through technological mediums.
This is essential as “one of the biggest challenges facing a knowledge-intensive workplace is gaining employee commitment to knowledge-sharing or use” (Debowski 2006, 113).

In order to increase commitment to knowledge-sharing organisations can implement employee involvement programs. Chi et al. (2011) identify employee involvement programs as “the diverse set of personnel and human resource practices that increase worker’s authority” (45). Employee involvement programs such as, self-directed teams and total quality management allow individuals to become involved in decision making and final outcomes, resulting in increased performance and quality of work (Chi et al. 2011). Chi et al. (2011) suggest that in order for employee involvement programs to be effective organisations must also implement and align HRM initiatives which engage employees. As such HRM must implement employee engagement via teams or communities of practice, targeted training and development and reward and recognition schemes. In addition employee commitment to organisational objectives and knowledge-sharing can be deepened through the promotion of specific values within the organisational culture. This discussion will be further explored in section 2.9.

Rewards and recognition directed towards knowledge-sharing, group performance and innovative thinking may increase the level of employee motivation and gain commitment (Yahya and Goh 2002; Jashapara 2011). Jashapara (2011) suggests that investing in reward and recognition will increase performance, and by rewarding engagement in knowledge building employee satisfaction and commitment will increase. “The rewards may be a combination of employee salary incentive schemes, employee benefits and recognition schemes” (Jashapara 2011, 312). Jashapara (2011) discusses four broad incentive-based schemes (table 2.9) which are essential in gaining greater commitment from employees. Rewards such as these drive employees to participate in knowledge activities, benefiting themselves as well as the organisation. Other flexible rewards known as ‘cafeteria benefits’ may be given if employees reach performance targets, including: company cars; flexible working practices; sports facilities and assistance with educational fees. Furthermore, Jashapara (2011) proposed that “organisations use recognition schemes to acknowledge and recognise the efforts of high performing individuals” and may include; an article in the company newsletter, annual awards ceremonies, paid luxury holidays, business accessories and cash prizes.
<table>
<thead>
<tr>
<th>Incentive-Based Schemes</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual payment by result (PBR)</td>
<td>“this depends on the relationship with incremental pay and incremental output, the threshold output for receiving PBR over and above an employee’s salary and capping level of PBR. Such schemes can give employees greater freedom and opportunities to achieve high earning. However, they can ignore the fact that many effective change processes are a result of team effort” (Jashapara 2011, 312).</td>
</tr>
<tr>
<td>Collective payment by result</td>
<td>“this is similar to individual PBR but more focused on a group, division and department. It acknowledges that individual PBR can be divisive for group working and long-term knowledge sharing. Instead it rewards cooperative behaviours” (Jashapara 2011, 313).</td>
</tr>
<tr>
<td>Collective bonus schemes</td>
<td>“The aim of these schemes is to foster greater cooperation between departments to achieve corporate objectives and to attract and retain the right staff. They may include profit-sharing schemes in the form of company shares or allow staff to buy company shares at a discount. A critical factor is the proportions of bonuses to an employee’s total compensation. If it is small, it is unlikely to persuade individuals to change their behaviours” (Jashapara 2011, 313).</td>
</tr>
<tr>
<td>Performance-related pay</td>
<td>“This is an incentive scheme based on an assessment of performance, often conducted through a staff appraisal process. This can allow managers to identify high-achieving employees as well as the ‘deadwood’. The aim of PRP is to increase employee motivation and encourage certain behaviours and attitudes in the change process through performance norms. Institutionalising knowledge-sharing behaviours as part of these performance norms brings KM practices clearly on the everyday agenda. However, PRP can undermine the cooperation and cohesiveness of a work group. Employee performance cannot be judged in isolation but is often a result of group effort” (Jashapara 2011, 313).</td>
</tr>
</tbody>
</table>

Performance management schemes are an effective way of evaluating employee commitment and participation in knowledge-sharing. “Performance management describes the process that encourages high performance... [and] aims to identify and acknowledge those who perform well and to support those who are not performing as well as they could” (Debowski 2006, 112). Whicker and Andrews (2004) suggest that traditional performance management does not satisfy the long feedback cycles associated with the autonomy of knowledge work. Therefore, focus must move from defining the role and the process of obtaining the result, to managing the long-term outcomes. This requires HRM professional to switch to “performance support or performance facilitation” (Whicker and Andrews 2004). HRM through clear planning of capabilities and task requirements is able to support and facilitate performance. Therefore, performance management should guide employees to perform tasks at a high standard with feedback which is useful as direct (Debowski 2006). As discussed in section 2.6.1 Lam and Lambermont-Ford (2010) suggest that the motivation-based perspectives of knowledge-sharing is key to the achievement of organisational knowledge utilisation goals. In organisation where team work is essential, socialisation incentives, performance management and extrinsic motivators supported through HRM initiatives will strengthen knowledge-sharing and generation.
Although all of the above discussed HRM initiatives work towards ensuring employees are committed to organisational knowledge-sharing and capacity building, organisation must employ a knowledge-sharing culture which achieves a deeper commitment to KM and strategy.

2.9 Knowledge-Sharing Culture for Success

McNichols (2010) identifies that in order to achieve the engagement of individuals in knowledge transfer; organisations need to build knowledge-sharing cultures, which facilitate teamwork and the mentoring of junior employees. The organisational strategies, structures and management practices which support knowledge creation and sharing is key in determining organisational success in today’s globalised and highly interconnected economy. However the previously discussed strategy, structure, transfer process, KM practices and HRM initiatives would not align effectively without a culture that reflects and embodies the values of the organisation. “Visible and engaged management support... may influence employees by establishing a reason to care, a feeling employees are a part of something bigger” (McNichols 2010, 32). McNichols (2010) develops this understanding identifying that individuals a more likely to knowledge-share if they feel valued or cared for. “Culture refers to the deep structures of organizations, which is rooted in the values, beliefs and assumptions held by organizational members” (Jashapara 2011, 270). Thus, care can be established through mutual recognition of beliefs, as well as through socialisation and building relationships.

Aside from the establishment of care, aspirational values are also essential when moving towards new knowledge-sharing strategies and practices. They are future values which organisations need to incorporate to support strategy (Jashapara 2011). Over time organisations need to move aspirational values into core values reflected in employee behaviours; in order to develop that knowledge-sharing culture they desire. These core values will over time influence remuneration policies, and recruitment and selection (Jashapara 2011); ensuring the organisation is built with employees who are committed and loyal. The HRM literature is silent on managing aspirational values for knowledge creation, however it has been suggested that progressive leaders in learning organisations promote values of knowledge-sharing and develop clear communication channels (Senge 2004; Jashapara 2011).

In the Knowledge Economy, organisations should manifest a ‘Personal Culture’. They “are characterised by individual autonomy and collective action based on fulfilling individual self-interests. Individuals decide on their work actions rather that it being a
function of central body” (Jashapara 2011, 273). This type of culture places more emphasis on empowerment of individuals, and will cultivate commitment and willingness to participate. Culture can be cultivated through the primary value of knowledge creation, which is ‘care. “Care is characterised by considerable mutual trust, active empathy, access to help, lenience in judgement and courage” (Jashapara 2011, 280). “An organisation within which care exists, employees will bestow knowledge upon each other” (McNichols 2010, 32). In order to cultivate care HRM initiative such as remuneration, mentoring and training programs which encourage care behaviour should be used, as well as social event to improve organisational relationships (Jashapara 2011).

Many of the authors reviewed in this chapter point directly or indirectly to culture as a defining element in the success for the application of KM and organisational learning principles, practices and strategies. Organisational culture has the ability to facilitate strategy, structure, knowledge transfer, KM and HRM, as individuals become more committed through aligned values. Hartell and Fujimoto (2010) suggest that without a supportive organisational culture, knowledge-sharing as a strategy and activity will not succeed, therefore negatively impacting on organisational learning and capability building for CA. Yoon et al. (2009) established that organisational culture needs to be aligned with the ideals of the learning organisation in order to establish a knowledge-sharing culture. These values include the support of individuals to share and create knowledge; encouragement of individuals in the team learning process; providing strategic leadership and shared vision; and finally ensuring that individuals continuously learn in a collaborative environment (Yoon et al. 2009). These aspects of the learning organisation help to identify the outcome of the implementation of collaborative knowledge focused strategies and structures, KM and HRM initiatives.

2.9.1 Organisational Learning to Achieve Competitive Advantage

In order to become a learning organisation and receive the full benefits of collaborative-knowledge based strategies organisational learning has to occur. Organisational learning should occur as a result of a KM and HRM aligned knowledge-sharing. Organisational learning is an organisation-wide process, which identifies gaps in current and desired performance, through bringing employees together to become aware of capabilities and consequences of experience (Hartell and Fujimoto 2010). The understanding that organisations must use methods of persuasion to convince employees that combining their efforts in an organisation is more productive than pursuing individual objectives, goes back at least seven decades in organisational studies (Barnard 1938; March and Simon 1958). In
essence “...learning is the technical procedures and social relationships that are pooled through knowledge management” (Easterby-Smith and Prieto 2008, 244). The key driver of organisational learning is the need to leverage and motivate collaborative work processes and learning opportunities (Senge 1990). In this regard, the organisational learning process could be encouraged through strategic HRM practices (Armstrong 2006). HRM should “facilitate the dissemination of learning” (Yahya and Goh 2002, 460) through supportive training and learning, career development opportunities, and employee involvement in decision-making (Kim et al. 2011).

Once organisational learning is achieved and understood by all stakeholders organisations are able to move towards becoming a learning organisation. Although the two relate, the ‘learning organisation’ differs from organisational learning (Senge 1990). Senge (1990) identifies the learning organisation as simple a type of organisation that has the ability to change and adapt to new environments and circumstances, through the acquisition of new knowledge. However, as with organisational learning, it is not just a matter of stating that you are a learning organisation; there needs to be a fundamental shift that goes beyond simply training and development, to individual and organisational learning. In general, there are three characteristics of a learning organisation – Employee development and continuous learning, Information sharing and collaborations, Team building and shared purpose (Senge 1990). These characteristics enable the organisation to become skilled at knowledge acquisition, transfer, and management through problem-solving, experimentation, and learning from their own and others’ experiences. Therefore, it is evident that an organisation must engage in organisational learning and acquire these characteristics before becoming a learning organisation.

“The most effective way of becoming a learning organisation is to build capacity by thinking and acting in new ways, based upon acquiring new knowledge” (Hartell and Fujimoto 2010, 79). This links back to creating an organisational culture or learning environment “where senior management actively leads by example; promoting truthfulness and openness where employees this ‘outside the square’; viewing mistakes a learning curves; encouraging participation and decision-making...; and cultivating a ‘learning culture’ which aligns with the strategic knowledge management and SHRM of the organisation” (Hartell and Fujimoto 2010, 79). Therefore by utilising HR practices to support KM strategy organisations will be able to achieve increased knowledge assets and capacity, which achieves movement towards becoming a learning organisation and the attainment of sustainable CA.
2.10 Summary

The review of literature identifies a change in organisational resource focus, towards the KBV of the firm, which saw a change in strategy, structure and management processes. This also leads to the understanding that more is needed to be done to manage the human aspects of knowledge to ensure that organisations are able to effectively build knowledge assets for CA, through knowledge-sharing. Key to this discussion is the relationship between KM and HRM, arguing that HRM initiatives have the potential to support KMs efforts to increase knowledge assets, by ensuring employees have the right tools and motivation to participate in knowledge-sharing activities. Figure 2.2 outlines the main aspects of KM and HRM theory, which aim to improve the use of knowledge within organisations. The overlap (intersection) in figure 2.2 demonstrates the common focus and purpose of theories in each field of investigation. Figure 2.2 also emphasises the need to align KM practices and HRM initiative from a practical perspective.
Figure 2.2: Theoretical Connections between Knowledge Management and Human Resource Management.

**Knowledge Management**
- Two waves of technology
  1. Databases (storing knowledge)
  2. Communication technology (facilitating knowledge transfer)
- Managerial focus to increase knowledge assets.
- Aligned with the knowledge-based view of the firm.
- Manages knowledge as an object and from an objective, positivist perspective.
  - Fails to fully acknowledge the human or ‘soft’ aspect of management

**Human Resource Management**
- Required to operate in the Knowledge Economy
  - Understand the importance of human knowledge and its application as a collaborative process, created through SECI and B2B.
  - Knowledge is difficult to achieve without the management of relationships.
  - Understands that knowledge is embedded in individuals, who act as organisational resources.
  - Focuses on aligning with organisational strategy and values
  - Utilises organisational structure to increase and support individual and collective knowledge use and creation.
    - Help to build and reinforce a knowledge-sharing culture.
  - Aims to increase organisational learning with a view to becoming a ‘learning organisation’ through knowledge generation, transfer and shared experience.

- Has the ability to evaluate working roles and the capabilities required to perform knowledge work.
- Initiatives which facilitate knowledge transfer.
  - Planning for knowledge capabilities.
  - Recruitment and selection of talented individuals.
  - Train and Develop employees with the right capabilities and to work effectively in teams and collaborative environments.
  - Implement employee involvement programs to engage and gain commitment from employees.
  - Use performance management to reward and recognise employees for contributions to KM.
- Manages knowledge from a subjective perspective.
  - Relies on other management practices to manage the technical aspects, such as KM.
Chapter Three: Methodology

This chapter summarises the approach adopted to investigate the research question identified in chapter one and the broader phenomenon of Knowledge Management (KM) and Human Resource Management (HRM) alignment in a national law firm. The methods should provide descriptive findings and also present comprehensive and defensible links to the chosen discussion and conclusions drawn. Firstly, a discourse of the research aims will take place, as it is important to reiterate these before data collection and synthesis.

3.1 Research Aims

The aim of this research is to explore the largely unidentified and under elaborated relationship between Knowledge Management (KM) and Human Resource Management (HRM) in knowledge based industries, such as professional service firms. As with most exploratory research projects the outcome is not to achieve definitive answers; however it aims to “clarify ambiguous situations or discover potential business opportunities” (Zikmund et al. 2010, 54). This research is not aiming to develop standardized and systematic comparisons or testing hypotheses, it is focused on a detailed exploration of the KM phenomenon.

Figure 3.1 demonstrates the research method, scope and objectives, analytical framework, data collection and analysis, discussion and synthesis of findings, and the presentation of study conclusions and recommendations. The methods shown here comply with the case study approach, allowing an exploration of themes and in-depth descriptions and explanations from both as theoretical and a practical perspective. Although the case study framework can employ multiple methodologies (Eisenhardt 1989); this thesis uses qualitative methodology only. It will aim to describe what managers are saying about the interdisciplinary approach to KM and its perceived connection to HRM as a means to increase value to legal service offered or other intangible assets of the firm.
3.2 Qualitative Inquiry

In an organisational context, researchers are increasingly being required “to demonstrate a reflexive understanding of the particular position they adopt” (Karataş-Őzkan and Murphy 2010, 453). This requires researchers to outline the form of inquiry used, the research approach, and the theoretical underpinnings associated with their research. The methodological perspective of qualitative research has been chosen for this inquiry as it helps to generate understanding of the literature and its comparison with an in-depth case analysis. Qualitative research “crosscuts disciplines, fields, and subject matters” (Denzin and Lincoln 2007, 2); aiming to generate meaning and understanding of human action (Schwandt 2001).
Qualitative research methods in business are used to address “objectives through techniques that allow the researcher to provide elaborate interpretations of market phenomena without depending on numerical measurement” (Zikmund et al. 2010, 133). As well as providing a set of methods for data collection, qualitative research allows a theoretical analysis of the major bodies of theories. Through the development of qualitative methods this exploratory research aims at discovering useful insight into a phenomenon that has shaped different business environments within the broader Knowledge Economy. The proposed method will employ the ‘how’ and ‘why’ questions associated with qualitative research (Silverman 2010).

Within this qualitative methodology there are philosophical underpinnings which shape ‘Verstehen’. Verstehen is the German term for ‘understanding’, this concept was developed by philosopher Wilhelm Dilthey; it established the unique nature of knowledge in human sciences (Schwandt 2001). This concept was later defined as a means to describe unique events, through the dialogue of social actors and interpretation of subjective meaning (Schwandt 2001). The concept of verstehen in qualitative inquiry requires the identification of philosophical underpinnings (Schwandt 2001).

The philosophical orientations associated with this research, which shape verstehen, are rooted in the social constructionist paradigm. Kuhn (1970, 175) presents the term paradigm as an “entire constellation of beliefs, values, techniques and so on shared by the members of a given community”. These varying assumptions are recognised through two philosophical dimensions; ontology and epistemology (Hallebone and Priest 2009). The ontology describes what is considered as reality; what exists and does not exist in terms of objectivity and subjectivity (Maylor and Blackmon 2005). Whereas, the epistemology identifies what is and is not considered knowledge (Maylor and Blackmon 2005). However, it has been argued that in social constructionism these notions are “left joined rather than treated as separate” (Hosking and Ramsey 2000, cited in Karataş- Özkan and Murphy 2010, 458).

Social constructionists believe that “knowledge and truth are created, not discovered by the mind” (Karataş- Özkan and Murphy 2010, 453), therefore connecting the ontology through a “sense of experience... [in which] we continually test and modify the constructions in the light of new experience” (Schwandt 2001, 30). Berger and Luckmann (1966 cited in Karataş-Özkan and Murphy 2010, 456) argue that “as individuals engage in the construction of their personal meaning, collectives engage in the construction of social reality”. Therefore through the use of a collective voice, this research aims to organise an
understanding of knowledge, providing an informed reconstruction rather than understand knowledge itself to generate theory.

Social constructionist epistemology emphasises sharedness or co-created verstehen through subjective knowledge (Lincoln and Guba 2007; Karataş-Özkan and Murphy 2010). The subjectiveness of knowledge is defined by an ontological notion which recognises the co-construction of realities (Lincoln and Guba 2007). Nonaka’s theories of knowledge creation discussed in section 2.7.1 helped to identify the ontological and epistemological assumptions of this thesis, identifying knowledge as subjective and collectively constructed. This understanding of social construction helps to evaluate the relationship between KM and HRM from the perspective of social actors, as well as utilising an abductive approach to theory building. It draws on both the extant literature and socially constructed knowledge to generate new understanding of the phenomenon of KM and HRM. As the social constructionist paradigm allows the construction of knowledge about reality (Patton 2002), this research project extends on the knowledge of the interdisciplinary approach to aligning KM and HRM.

As mentioned earlier the case study approach was chosen. Crowe et al. (2011, 1) identify that case studies are utilised to “generate an in-depth, multi-faceted understanding of a complex issue in its real-life context”. In order to generate this understanding, the abductive approach to theory building was used to elaborate on the issues and gaps identified in the literature review stage and generate a practical perspective thought the case study. The intrinsic case study is typically used to learn about phenomenon (Crowe et al. 2011) and “no attempt is made to generalise beyond the single case” (Silverman 2010, 139). Therefore, the view held by the researcher is that a clear description of the relationship between KM and HRM needs to be made, extending the limited ideas generated within the literature, in order for more in-depth research to take place at a later stage. At the same time the descriptions generated will be useful to organisations wanting to optimise KM. This understanding of qualitative inquiry, social construction, verstehen and case study research is important as it informed the choice of methodology for this investigation.

3.2.1 Demonstrating Quality and Rigour

Patton (2002) suggests that researchers view qualitative findings through different paradigmatic lenses, due to varying philosophical views; such as those discussed above. These views about ‘reality’ shape the understanding of quality, rigour and credibility in research. It has been noted “that naturalistic evaluations must be rigorous in the conventional sense, despite the fact that the basic paradigm underlying the evaluation
approach has shifted” (Lincoln and Guba 2007). From the social constructionist perspective it is assumed that humans “do not have direct access to a singular, stable, and fully knowable external reality. All of our understandings are contextually embedded, interpersonally forged, and necessarily limited” (Neimeyer 1993, cited in Patton 2002, 96). Patton (2002) therefore, identified that ‘truths’ arise through consensus between informed social actors; unlike that of natural science where ‘truth’ is identified in objective facts.

Lincoln and Guba (2007) argue that this change in thinking requires a distinctly different set of criteria to natural science, such as the criteria of trustworthiness. Here Lincoln and Guba (2007) developed parallel criteria of which were analogs of those from positivist paradigm. Lincoln and Guba (2007) align these criteria as follows; Credibility (internal validity), Transferability (external validity), Dependability (reliability) and Confirmability (objectivity). This research is able to combine both credibility and transferability; however is not able to address dependability and confirmability, as the use of external auditing is not within the scope of this research process. Lincoln and Guba (2007, 19) go on to emphasise that these criteria are not a “complete set because they deal only with issues that loom important from a positivist construction”. Therefore by demonstrating credibility through a clear outline of methods, triangulation and review of data, as well as indicating transferability through the descriptive data, this research is able to identify its trustworthiness to promote quality in the outcomes achieved.

The identification of credibility and transferability will be outlined throughout the discussion of the case protocol. Yin (2003, 67) identifies that the protocol outlines the procedures and instruments used during the research, to build further credibility. In general the protocol provides an overview of the project, the field procedures, the case questions and the reporting format (Yin 2003). Providing clear reporting of all the methods through the protocol also ensures rigour within the research (Patton, 2002). In order to extend this discussion Patton (2002) suggests that credibility depends on three distinct elements; rigorous methods, credibility of the research and the philosophical belief in the value of qualitative inquiry. The case protocol will aim to address the understanding of rigorous methods. The philosophical beliefs have previously been addressed, outlining the need to utilise qualitative inquiry for an effective evaluation. In terms of researcher credibility, training, and experience are highly influential (Patton 2002); therefore the methods chosen here are appropriate for the level of researcher experience, as the researcher engaged in the learning of qualitative methodologies which has provided the right skills to complete this project.
This can also be seen as a commitment to reflexivity, as “a researcher’s background position will effect what they choose to investigate, the angle of investigation, the methods judged most adequate of this purpose” (Malterud 2001, 483). Here it can be identified that the researcher’s previous experience with any field of study has minimal impact of the research design, as experience is limited. However, the researcher’s preconceptions about the misconception between KM and HRM in a theoretical and practical sense motivated the development of this project. As this preconception was evident in the literature it prompted the researcher to explore the relationship from a practical perspective. Malterud (2001) identifies that through a clear outline of preconceptions the issue of reflexivity is addressed, therefore allowing a more valid approach to qualitative inquiry. The following section identifies the steps that took place within the three stages of research, shown in figure 3.1.

3.3 Case Protocol

In order to conduct this research in the most efficient and effective manner possible, five systematic phases were employed to complete the research: (1) Literature Review, (2) Sampling and Gatekeeper Negotiations, (3) Data Collection, (4) Data Analysis, and (5) Write up. These stages were developed as the case study protocol in order to increase the credibility of this study, as mentioned above. The data collection and collation steps within these stages are shown in figure 3.1 illustrating the research design incorporating iterative and generative elements consistent with a social constructionist paradigm.

**Figure 3.2: Breakdown of Data Collection**

The data collection steps illustrated in 3.2 above include; Gate keeper negotiations to establish context, identify respondents and research protocols; Feedback loops with refinement and collaborative discussion of key themes, questions conceptual and practical insights prior to final collation and analysis of the data. The following sub-sections outline the processes and procedures associated with each step, enabling replication if desired (Yin 2003).
3.3.1 Literature Review

The first stage of this research involved an in-depth review of the literature, to assist in the understanding of the major bodies of theory, identifying strengths and weaknesses of the available research (Rhoades 2011). In order to undertake this review of the literature a ‘systematic review’ was employed. Rhoades (2011, 63) suggests that this particular review “is a thorough, comprehensive, transparent, and unbiased review of the literature undertaken according to a clearly defined and systematic approach”. It is also evident that this review provides the first step towards legitimacy and scholarliness through the clear integration of findings from multiple sources and across disciplines (Rhoades 2011). In accordance with this method of review the literature looks at the broad context of the organisational environment, how organisational strategy and structure have changed, the strengths and weaknesses of KM and HRM theory, and the potential of a knowledge-sharing culture.

It is important to emphasise the quality of sources cited, with most of the works reviewed being sourced from bibliographical databases. This extends the reliability of the literature review in its ability to identify the gaps and provide recommendations when synthesised with practical findings. In the field of KM and HRM both qualitative and quantitative methodologies are utilised. KM research utilises the qualitative methodology to generate a theoretical analysis; whereas HRM literature utilises quantitative methods to measure the value of practices. Measuring value is not a central aspect of this research, therefore qualitative methodology is employed to generate an exploratory discussion. In doing this the ultimate goal here is to identify how HRM initiatives are able to support KM practices from a practical perspective.

3.3.2 Sampling and Gatekeeper negotiations

This section details the processes undertaken at point 1, 2 and 3 of the data collection breakdown shown in figure 3.2. The use of purposeful sampling enables the development of an information rich case. Although this is seen as bias and a weakness for statistical sampling it is seen in qualitative inquiry as a strength (Patton 2002). When approaching the sampling process of this research, it was clear that the researcher had to be flexible and evaluative two levels of sampling; (1) The case organisation and (2) The individual participants. A purposive sample is where the “researcher actively selects the most productive sample to answer the research question” (Marshal 1996, 523).

Firstly, the identification of case organisation was required to ensure that the KM systems and HRM practices were able to be explored in depth. Crowe et al. (2011) identified that intrinsic case studies are selected on merit and uniqueness, not on their ability
to be representative of other cases. The use of a law firm was purposive as it has been identified that law firms have recently begun changing from a professional model to a corporate business model, focusing on knowledge as a resource (Gottschalk and Karlsen 2009). The law firm is unique in the fact that it well known for its established KM practices and its participation in previous research focusing on the knowledge of employees (Waddell et al. 2011). Secondly, the identification of individual participants for the interview process was given through an ‘intensity’ purposive sample. This means that individuals were selected to participate by the gatekeeper based on their ability to provide rich information and their interaction with KM practices within the organisation. The “intensity sample consists of information-rich cases that manifest the phenomenon of interest” (Patton 2002, 230). These individuals were interviewed to yield “insights and in-depth understanding rather than empirical generalization” (Patton 2002, 230) serving the purpose of the research.

Sample size generally “depends on what you want to know, the purpose of the inquiry, what’s at stake, what will be useful, what will have credibility, and what can be done with available time and resources” (Patton 2002, 244). As there are no typical ‘rules’ for simple size (Patton 2002) the use of one case organisation is sufficient as it allows an in-depth look into the themes generated in the literature. Multiple cases may be used in future research to further explore the effectiveness of HRM as an enabler for KM and learning. The sample size for this study was specified by the gatekeeper, due to the number of available individual associated with KM practices. Although this was the case, out of the 15 individuals selected 12 opted in and provided a great deal of in-depth data. This valuable data adequately answered the research question, which is seen as a defining factor of appropriateness in sample size (Marshal 1996).

Prior to the selection of participants, negotiations with the gatekeeper determined the purpose of the research and its benefits toward to organisation. This resulted in clearly defined interview questions, which were both appropriate for the research and the understanding of individual participants. The negotiations also determined that the participants were only available for phone interviews due to time constraints and geographical proximity. Once the negotiations took place, and the research signed a non-disclosure agreement, participants were approached to gain informed voluntary consent, as discussed further in section 3.5.

3.3.3 Data collection

This section demonstrates the processes associated with points 4, 5 and 6 of the data collection breakdown model (Figure 3.2) by addressing Kvale’s (2007) steps to
interviewing. Both the social constructionist paradigm and case study approach suggest that interviews help to generate descriptive understandings. These seven steps include *Thematizing, Designing, Interviewing, Transcribing, Analysing, Verifying* and *Reporting*. They are a guide which enables the “researcher to make decisions about method on a reflective level, based on knowledge of the topic of the study, the methodological options available, their ethical implications, and anticipated consequences”.

The designing of the interview questions were addressed by *thematizing* and *designing* the interview. Thematizing utilised the literature review to identify thematic areas of investigation. Once the researcher clarified and identified the themes the development of procedures and techniques took place (Kvale 2007). A ‘standardized open-ended interview’ approach was chosen as suitable, as it “consists of a set of questions carefully worded and arranged with the intention of taking each respondent through the same sequence and asking each respondent the same questions with essentially the same words” (Patton 2002). This approach allowed the respondents to provide as much detail as possible allowing an in-depth analysis of the data, described in section 3.3.4.

In order to achieve this dialogue in the interviews an interview guide was developed (appendix 8.1). The interview guide provides a framework to guide participants along the same basic lines in two rounds of questioning (Patton 2002). The first round looked at a holistic picture of KM employed at the firm, investigating its limitations and opportunities. The second round of questioning focused more on the influence HRM initiatives have on the engagement of employees in knowledge-sharing. The interview guide was reviewed by the gatekeeper to ensure that the questions were both appropriate and clear. Having understandable questions helped to establish a rapport with the participants; making it easier to conduct an effective and timely interview (Patton 2002).

Conducting the interviews (figure 3.2, point 5) aligns with the *interviewing* and *transcription* steps of the interviewing process. The first round of interviews took approximately 30 minutes per respondent and gathered a high level of descriptive data. Questions were verified by the gatekeeper; relevant literature was extensively reviewed by the research prior to interviewing, creating a strong conceptual grasp of the field, process and practice to inform exploration. Due to ethical considerations the interviews were not recorded, so the researcher was required to take notes during the interview process. Here the researcher aimed “to record as fully and fairly as possible that particular interviewee’s perspective” (Patton 2002, 380), as a method of *transcription*. The transcription of interviews aimed to develop ‘thick descriptive data’, for the purpose of transferability. The
presentation of this data may allow others “to apply all or part of the findings elsewhere” (Lincoln and Guba 2007, 19); therefore transferability occurs into further research.

To ensure transcription was accurate the results were collated after the first round and returned to the participants for review and verification. By doing so a feedback-loop was developed to provide rigour and trustworthiness. This feedback-loop is shown in figure 3.1 and figure 3.2 (point 6). Patton (2002) suggests that having participants review the findings and provide suggestions, presents the opportunity for analytical triangulation. “Researchers...can learn a great deal about accuracy, completeness, fairness, and perceived validity” (Patton 2002, 560) of their work through this reviewing process. Once this review was complete the research went back to the designing stage to review and make changes to the secondary questions (appendix 8.2). These questions were then emailed to participants in order to gain a written response, however due to time constraints the gatekeeper conducted a collaborative discussion session with the participants and provide one set of answers to the questions based on the collective discussion. The data collected in the first and second round of questioning were collated, analysed and reported according to the procedures outlined in the following sections.

3.3.4 Data Analysis

Fereday and Muir-Cochrane’s (2006) described the abductive hybrid approach to thematic analysis, which includes both deductive and inductive analysis. Thematic analysis is a method for identifying themes within data, analysing them and further reporting them in order to describe a particular phenomenon (Fereday and Muir-Cochrane 2006; Liamputtong 2009). By combining both the inductive and the deductive analysis techniques, further verstehen of KM and HRM theory is identified. The deductive approach was utilised in this research to generate an understanding of the literature, whilst generating questions and themes to be observed from a practical perspective. The themes generated in the literature review (chapter two) were not seen as the ‘ultimate’, as the open-ended interviews allowed participants to elaborate beyond the question initially asked.

Inductive analysis is “usually is defined as working from the data of specific cases to a more general conclusions” (Schwandt 2001, 125). This inductive thematic analysis required the researcher to read and re-read transcriptions to identify patterns and make sense of the data from a collective perspective (Liamputtong 2009). The patterns identified, both aligned with predetermined themes in the literature and generated new ones. In order to develop a systematic approach to the data analysis the interviews were viewed and coded from the deductive analysis perspective. “In deduction, the conclusion must follow from the premises
(in other words, it is logically impossible for the conclusions to be false if the premises are true)” (Schwandt 2001, 125). Therefore, the conclusions derived from the data collected which support the themes within the literature are useful in describing theory from a practical perspective.

Once this deductive analysis was complete the coding of the interviews from an inductive perspective took place. This step is called axial coding allowing the researcher to place initial codes into categories and sub-categories (Liamputtong 2009); by doing so connections were made identifying themes. As a result of this hybrid approach both the verification of theory and the building of new theory was possible. At this stage the themes were finalised for chapters four and five, to provide a clear and descriptive discussion of the key theories alongside the practical perspective. Although this process has been described in a step-by-step approach, it is a highly “iterative and reflexive process” (Fereday and Muir-Cochrane 2006, 83). This reflexive process saw the data reviewed by participants for evaluation, Tobin and Begley (2004, cited in Fereday and Muir-Cochrane 2006) suggests that this demonstrated ‘goodness’. Therefore the reflexive process developed rigour though ensuring that interpretations were correct and the reliability of identified themes in the literature were tested. The reflexivity of this analysis lead to the approval and disapproval of the original deductive themes as well as enabled the generation of new inductive themes. Fereday and Muir-Cochrane (2006) provide that this development of ‘goodness’ emphasises the development of rigour, through capturing the richness of the phenomenon.

3.3.5 Write up

A systematic approach was taken when writing the whole thesis, by developing an in-depth review of literature, then identifying the methodological approach to explore the themes from a practical context, to developing the case study, discussion and finally the conclusions. Yin (2003, 141) provides three essential steps which should be followed when presenting research; (1) identifying the audience, (2) the compositional structure, and (3) following procedures. Firstly, the identification of a specific audience is essential as there may be multiple users of the case (Yin 2003). The reporting of this particular research is required to be aimed at academics and the organisations. Yin (2003) suggests that in order to satisfy the needs of all users multiple reports my need to be produced. For this project two versions of the results were developed, (1) for the purpose of this thesis, and (2) for the organisation to provide them with a concise and useful document that outlines the conclusion and recommendations.
Secondly, the structure chosen must meet the needs of the reader. Yin (2003) identifies case studies as being difficult to develop, as there is no standard outline for presenting the results. Early composition is essential even to the point of writing the ‘prelude’ before data collection (Yin 2003). Early writing appeared useful as it help the research to clearly outline the purpose of data presentation in chapter four and data synthesis in chapter five. Yin (2003) provides a range of alternatives which may be employed to develop the structure of a single case study. The ‘linear-analytic’ structure was chosen as it follows the approach of the overall thesis. This approach provides that “the sequence of subtopics starts with the issue... a review of the relevant literature... then proceeds to cover the methods used, the findings from the data collected and analysed, and the conclusions and implication from the findings” (Yin 2003, 152). This logical presentation of the thesis helps to guide the reader through the dominant themes which arose as a result of both the theoretical analysis and data collection. The second version, which will be presented after submission of the research, will take the user through the results from data collection and analysis, as well as a discussion of recommendations and opportunities which are of value to the organisation.

Finally, in order to follow the procedures of developing a case study, approval from the organisation was required prior to inclusion in the final draft. While it seems essential to develop the two versions sequentially, to include the feedback from the organisation in the final write up they were developed concurrently. This was to ensure that the results were presented the same and there were no variations between the versions. Each participant was asked to review the results, insert additional comments and consent to the use of information in the final thesis. By following these procedures it was verified that the information presented in this final thesis is clear and credible.

3.4 Limitations

Yin (2003) noted that case study research has been criticised for its lack of scientific rigour and basis for generalisation. However following Lincoln and Guba (2007) it can be argued that scientific rigour and generalisation are insufficient for the evaluation of qualitative inquiry. In order to overcome the lack of rigour associated with case studies, this research employs “response validation, the use of theoretical sampling, [and] transparency throughout the research process” (Crowe et al. 2011, 7). These methods help to satisfy the research question thoroughly, clearly and accurately; mitigating the potential limitation of generating scientific rigour.

Beyond the ongoing debate of scientific rigour in qualitative inquiry, the limitations associated with this thesis include ethical behaviour, the use of a singular case study,
creating boundaries, volume of data and theoretical frameworks. The singular case study is limiting in its ability to provide a comparison, but it must be emphasised that the research is honours level and comes with time and resource restrictions. Crowe et al. (2011) discussed the other limiting factors in terms of medical case studies they are also applicable in business research. Creating boundaries and volume of data may be discussed together as limiting factors. As with most qualitative research there is a large portion of data that is collected via subjective interactions with respondents, and boundaries need to be set to identify the scope of the research (Crowe et al. 2011). In order to limit the detrimental effects associated with these factors, Crowe et al. (2011) suggest that focusing questions towards a clearly defined scope and staying flexible for idea generation is necessary and timely. Finally, the themes identified in the literature limit the ideas generated in data collection. The abductive theory building approach also helps to moderate the levels of data gathered. The ethical considerations are discussed in the following section, detailing the procedures followed. Crowe et al. (2011) emphasises the need for anonymity and informed consent is essential.

3.5 Ethical Considerations

Ethics is defined by Babbie (2008) as “conforming to the standards of conduct of a given profession or group” (67). In order to conform to university regulations, approval for conducting this study was obtained from the Murdoch University Ethics Committee. This requires the research to behave ethically towards the users of the information and the participant involved in the interview process. This required the development of an information letter (appendix 8.4) and consent form (appendix 8.4) which details the proceedings of the study without false information and emphasised voluntary inclusion. Informed consent was gain prior to the commencement of the interview process, which is identified by Babbie (2008) as the process by which subject provide voluntary participation with understandings of the risks associated.

It was also assured that anonymity was of great concern; all interviews would be confidential and de-identified. Babbie (2008) suggests that anonymity is held when information cannot be traced to any one individual. Anonymity therefore, protects the respondents from any repercussions. Due care was taken in the process of analysis and reporting to ensure that information is not miss leading and is of use to the participant and further researchers. In this study every effort was made to ensure ethical standards were met and anonymity of responses made certain that the organisation would not be able to match responses to individuals and all information received would be treated confidentially.
Part Two:
Generation and Transfer of New Knowledge
Chapter Four: Case Findings

As identified in chapter 3, stage one of the research was a review of the literature which provided insight into the theories and understanding behind Knowledge Management (KM), Human Resource Management (HRM) and their influences on knowledge-sharing within the Knowledge Economy. This secondary data helped in identifying focal areas for further exploration and the framing of the interview questions (appendix one and two). The findings presented below are later used to inform understanding through data synthesis in chapter five (stage three). The questions which were used to elicit the findings explore personal opinions of Knowledge Management Lawyers (KML) in a national law firm. The preliminary questions (appendix one) were modified in conversation, simply to ensure participants were clear on the context of discussion. This section is divided into eight main topics which align with some the thematic headings address throughout the literature review.

4.1 Competitive Environment in the Knowledge Economy

All interview participants demonstrated a clear understanding of the current market environment and indicated that competitive advantage (CA) is hard to obtain. Although this is true it was suggested by many that shared knowledge and understanding, value added services, excellence in staff and objectives, and strong client relationships were required in order to gain sustainable competitive advantage (CA). These four elements are further supported by individual comments given in table 4.1. It was also identified that there were some threats facing law firms, with eight participants identifying that globalisation and Australia’s increasingly crowded market is a threat as “Australia traditionally hasn’t has a lot of international competitors”, one participant mentioned.

A few participants identified that the industry is being influenced by “challenging” and even “slowing” market conditions. Some participants suggested that these conditions have led to; “firms trying to provide better services in low economic times by taking time to provide expert advice”, “clients moving to other legal firms”, “clients not seeking advice” and “client expectations increasing”. One participant suggested that “in some ways most threats also present opportunities”. It was suggested that the increasing competition provides the “opportunity to move into other international markets” such as “opportunities in Asia because of geographical proximity and the time zone alignment”. Furthermore the slowing economy provides “the opportunity... to provide clients with more detail services”, ideas of how this can be achieved are presented in table 4.1.
Table 4.1: Participant Responses to Market Environment Questions

<table>
<thead>
<tr>
<th>Market Environment Results</th>
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<tbody>
<tr>
<td><strong>Competitive Advantage</strong></td>
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<tr>
<td>- Knowledge is “sold as advice or solutions” with the “ability to [provide] more than just legal advice in a timely and efficient manner”, the firm is able to hold sustainable CA.</td>
</tr>
<tr>
<td>- The firm is able to “use knowledge to their best advantage, re-using knowledge to learn quicker”.</td>
</tr>
<tr>
<td><strong>Opportunity to provide detailed services</strong></td>
</tr>
<tr>
<td>- Enabled by “stronger relationships” and “providing more than just legal services”.</td>
</tr>
<tr>
<td>- Transactional lawyers are able to work closely with clients “providing them with value add, discounts and reducing costs”.</td>
</tr>
<tr>
<td>- “Offering these extended services allows the opportunity to grab clients from other firms”.</td>
</tr>
<tr>
<td><strong>Knowledge Importance</strong></td>
</tr>
<tr>
<td>- “Knowledge is always going to be an important factor” and “intellectual property collected can be utilised to develop efficiencies”.</td>
</tr>
<tr>
<td>- KM structures provide the “opportunities to knowledge share and gather intellectual property”.</td>
</tr>
<tr>
<td>- “Offering knowledge as a service to meet client needs. In slow markets lawyers can take time to provide the best services”.</td>
</tr>
<tr>
<td>- “With documents up to date, current and relevant the firm is able to provide efficient services”.</td>
</tr>
</tbody>
</table>

4.2 Knowledge Focused Strategy of the Case Organisation

The law firms “KM strategy is a derivative of the business development plan” said one of the participants. This places emphasis on “performing better practices and adding value for clients by providing knowledge through researching client needs prior, during and flowing transactions”. It is also evident that “using transactional knowledge and experience to provide better services [helps to] increase the level of value added to client”. One participant said that the firm “holds a good precedence system for the collection of knowledge banks”, which enables the fulfilment of “strategy to keep collections of core documents” such as:

1. Precedence and best practice documents “which have been censored of client information and can be used to assist other transactions”,
2. Transactional documents “which are specific to a particular case/transaction... and are simply effective examples of transactions”, and
3. Style guides “which demonstrate how documents should look and be drafted”.

The firms KM strategy is to “collect all relevant and useful knowledge and information, which can improve transactions and best practice”. These “documents can be updated at any given time to ensure they are up-to-date, effective and relevant” one participants emphasised.

4.3 Organisational Structure to Influence Knowledge-Sharing

A few of the participants identified the firms as “a top down structure, with partners supportive and verbally displaying that knowledge sharing is important”. However, at the same time participants reflected that the firm is “not a centralised system as Knowledge Management Lawyers (KML) are not operating from a corporate level, they are on the legal floors working closely with transactional lawyers to gather knowledge”. This is also
reflected in “formal focus groups, which increase knowledge sharing, with one practice group per department”. One of the participants indicated that “these groups emphasised a collaborative structure, where KML and transactional lawyers are able to collaborate”. Table 4.2 identifies the number responses associated with practice groups and their ability to effectively facilitate knowledge-sharing.

Table 4.2: Responses to Structure Questions

<table>
<thead>
<tr>
<th>Response to Practice Group and meeting effectiveness</th>
<th>Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Practice groups hold regular meetings, as 6 weekly catch-ups, where KML are involved; which increases the collaborative effort for the transfer and gathering of knowledge and information”.</td>
<td>6</td>
</tr>
<tr>
<td>“Practice groups are formal structures to get things done and are effective at keeping KML involved, as well as formalising KM itself”.</td>
<td>3</td>
</tr>
<tr>
<td>“The meetings are a forum for raising issues, current awareness topics, how legislative changes will affect transactions, as well as identifying documents which would be useful to add to the knowledge banks and documentation collection”.</td>
<td>8</td>
</tr>
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</table>

4.4 Knowledge Management Practices

The firm focuses on a few technological aspects of KM, in order to efficiently utilise knowledge and facilitate communication amongst employees. These include;

1. Document Management System – “collates the precedence and best practice documents”.
2. Intranet – “a communication platform to deliver knowledge firm-wide”.
3. Emails – “essential to communicate knowledge and information directly”.

One participant indicated that these systems help to facilitate the “effective storage, transfer and dissemination of organisational knowledge”, supported by another participant who said they “help to make work practices more efficient by transferring relevant employee knowledge in a timely fashion”. Furthermore, it was evident that the firm “is taking active steps towards the integration of technology by using state of the art search engines to improve work practices”.

The firm uses KML as part of their strategy towards knowledge acquisition and knowledge-sharing. “KML work in different practice groups alongside transactional lawyers, assisting in the transfer of knowledge” through the following activities;

1. “Answer internal and external enquiries and requests for information”,
2. “Refer the ‘expert’ on a particular issue”,
3. “Help transactional lawyers understand and respond to client needs”,
4. “Inform transactional lawyers of current awareness”, and
5. “Facilitate meetings for idea generation, addressing issues and the presentation of current awareness”.

In order to do this one participant suggested that “KML need to be an expert in their area, finding information and being able to explain it”, as well “KML are a supportive KM function for their practice group”.

4.4.1 Knowledge-Sharing for Improved Work Practice

In terms of knowledge-sharing the participants mentioned three ways in which knowledge-sharing is supported such as; Collaborative practice groups, Technology and KML. Firstly, “practice group meetings bring together transactional lawyers to encourage face-to-face knowledge-sharing”, they aid discussion on “KM strategy, current issues, recent transactions, current cases and legislation changes”. One participant mentioned that they “work well in capturing and making the knowledge available”. This is demonstrated by the collection of knowledge in ‘matter debriefs’; “once transactions have occurred the people involved get together to discuss how well things went and what improvements can be made to initiate learning”.

Secondly, “IT-systems are used to support knowledge-sharing” with “intranets distributing updates” and the “document management system utilised to retrieve precedence”. One of the participants suggested that “technology is effective at shuttling information and knowledge around the organisation quickly” with “social networking systems providing individuals with the ability to feel part of a particular group with common interests”. The firm is taking steps towards social media and networking by encouraging employees to have “Linked In accounts and keep their profiles up-to-date, they are actively encouraged to use this technology for discussion with external practitioners”. Twitter is also used “to feed information to employees”, “it is programmed with group specific updates and is linked to the intranet so lawyers are always informed”. Furthermore, for geographically dispersed communications “video conferences are used to reach a large number of people in different locations, distributing knowledge more effectively through technology”. This includes current awareness and matter debriefs which “help to spread information around the firm easily”. Current awareness was described as “creating awareness of new client developments, changes in legislation, external and internal issues, changes in the market place” and “keeping up-to-date with the most relevant information”.

Finally, “KML interact formally and informally with transactional lawyers to increase knowledge-sharing, they talk to lawyers to ask them if they have relevant information or documents to update precedence”. This interaction is important as one participant pointed out that “some information is not given straight away, ‘floor walk’ and emails initiate the conversation about contributions to the knowledge collections”. It was also emphasised by participants that “face-to-face and individual communication usually increases the number of responses”. A few of the participants mentioned that it is “important to recognise good knowledge-sharing and contributions, but there is no formal structure to do so”. Two of the
participants indicated that they take it on themselves to “acknowledge individuals, particularly junior lawyers to promote their work and also encourage contributions to KM”.

4.5 Human Resource Management

In the first round of questioning training, mentoring, professional and personal development were mentioned multiple times, however were never linked to Human Resource Management (HRM). Although this is the case, they have been placed under this heading rather than knowledge-sharing (section 4.4.1) as chapter 5 deals with these issues in relation to the HRM literature. Participants identified training and mentoring as being a good source of knowledge-sharing, as “mentoring programs help junior lawyers learn and acquire knowledge from senior employees”. It was also stated that “KML provide training for new employees on how to retrieve KM and corporate resources” and also “provide continuous training for lawyers to ensure they have access to the best skills possible”. Furthermore “KML also facilitate employees to provide internal training and mentoring, to increase knowledge-sharing and internal idea generation”.

Professional and personal development strategies are implemented by KML to encourage individuals to contribute to learning. Professionally, employees are “engaged in cornerstone training of core legal skills and the fundamentals, which enable them to progress”. Training also extends to “more sophisticated seminars and courses for those with greater experience” and also “encourages staff to continue refreshing skills and furthering experience”. “There is an obligation to develop professionally through training, as lawyers are required to earn a certain number of points for their continuing professional development CPD obligation”. On the other hand, personal development is encouraged at the firm through a “knowledge service 50 hour policy”. It is a “yard stick where lawyers are required to do 50 hours of KM related activities”. Contributions include; “presentations of cases”, “providing training or mentoring”, and “developing organisational precedence and documents”. These contributions are evaluated in the annual performance review, however it was mentioned that “there are no consequences for not meeting 50 hours”.

4.5.1 Understanding the Potential of HRM

The second round questions aimed to gain further insight and perspectives from the KML regarding the opportunity HRM provides to encourage knowledge-sharing. The responses were provided by the company gatekeeper (KM manager) following a collaborative discussion session. The responses are displayed in table 4.3 to provide a full representation of the data and the understandings.
Table 4.3: Second Round Answers

<table>
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<th>Human Resource Management Focused Questions</th>
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| 1. “Mentoring of juniors is part of the job of a KML and also our HR department has a ‘buddy’ system in place for new employees (at any level). So, it is an expectation rather than being part of a rewards program. It is firm-wide”.
| 2. “All of those things will help, to varying degrees. However, it is better to try and have it ingrained as part of the firm’s culture so that it just becomes part of how things are done. In relation to consequences for not meeting the requirements of say our 50 hour policy, for that approach to be effective, you need to ensure that the task is clear, that people know what is expected of them, they understand what it means not to comply and partners/management support and enforce the ‘sanctions’ for non-compliance. At the moment, our preferred approach (on the basis that we think it is most likely to be supported and enforced) is to monitor compliance with out 50 hours policy and to raise it as a performance issue (i.e. great if you have complied, bad if you haven’t) in the annual performance review process”.
| 3. “I think culture underlies the success of KM within an organisation. Not sure that competitiveness is really a feature but certainly the commitment of partners and senior people in the PG as well as the knowledge needs of the PG (and the quality of KM support) are factors”.
| 4. “KMLs recognise that if they want people to support and embrace KM, they need to be encouraged and provide positive reinforcement. That occurs in a number of ways- KML will email partners to let them know about good KM-related work done by juniors; KML will let PGs know able KM resources and offer training in them so that people can use them efficiently and effectively etc. We need to do this – it all helps to build the ‘culture’”.

4.6 Culture

All participants identified that while “the culture does reflect knowledge-sharing – it is a voluntary process which most individuals are willing to engage in, with the minority needing to be reminded that knowledge work is important”. Many indicated that the “promotion of knowledge-sharing comes from the top, it’s not just the KML encouraging knowledge-sharing, it is the partners and the way they share their knowledge too”. This indicates “an expectation to share, most people are open to sharing, and when they don’t it is more they don’t think about it rather then don’t want too”. The firm “provides the right mindset, getting used to the idea it is ok to raise the question and the issues that are current, to generate discussion”. One participants suggests that the firms “well established nature and history forms how employees interact”, therefore reflecting “an open minded culture and a culture of sharing”.

4.7 Summary

The data presented in this chapter has provided fruitful insight into the organisations KM systems. The respondents presented a good understanding of the competitive environment factors which affect the organisations ability to perform. It was found that the organisation is operating in a volatile environment where the threat of globalisation is high, requiring the organisation to compete based on unique capabilities and valuable assets such as know-how. As a result the organisation focuses on a knowledge-driven strategy, as knowledge provides the organisation with the opportunity to learn and improve practice. In order to carry out this strategy that organisational structure is more flexible utilising group collaboration to
generate and collect useful knowledge. As discussed in 4.41 the organisations KM practices incorporate the use a variety of IT-systems to collect and disseminate knowledge. This ICT platform to enable KM practices supported by the daily routines of knowledge-sharing facilitated by the KML reinforced by the partners and valued as an integral part of the organisations culture. This cultural profile and allied routines within the case organisation indicate a strong ability to utilise and gather knowledge. The biggest potential limitation of is the commitment of employees to continually engage in the use of technology and sustain relationships for effective knowledge transfer and learning over time. Through the utilisation of HRM initiatives the organisation may be able to grasp the opportunity to reinforce and incentivise long term commitment to collaboration and knowledge sharing. HRM practices also have to potential to limit KM or take it to the next level and increase competitive success. The next section discusses these opportunities by synthesising that data presented here with the literature from chapter two.
Part Three:
Understanding Knowledge and Opportunities
Chapter Five: Data Synthesis and Discussion

This stage of the research combines the literature (chapter two) and the Knowledge Management Lawyers (KML) perspective (chapter four) to address the research question identified in the analytical framework (figure 1.1). This chapter is divided into six sections relating to the themes developed abductively (section 3.3.4). Through synthesising these understandings this chapter aims to close the gaps through a comparative discussion between current practices as it is seen in the case organisation and the ‘ideal’ organisational perspective as suggested by the literature. These understandings help to place Human Resource Management (HRM) initiatives as enablers of Knowledge Management (KM) strategy. The findings from this chapter are used to inform the implication and recommendations in chapter six.

5.1 Competitive Environment for the Case Organisation

This section addresses the understandings of the current market environment and those organisational elements which help to gain competitive advantage (CA). The findings in chapter four suggested that there are four main factors that contribute to competitive advantage (CA) in the Knowledge Economy including; Knowledge and knowing, Value added services, Excellence in staff and Strong client relationships. Two of these factors link to McGee’s economic changes (section 2.3.1) which illustrate a shift in business thinking. This demonstrates that the case organisation understands that through emphasising and increasing knowledge use and transfer they are able to provide new services and value (McGee 2003). This change in business thinking allows the organisation to increase knowledge, transfer knowledge and utilise knowledge as a tradable good providing the opportunity to establish CA.

Knowledge is an important organisational focus as it is key in decision making and development, however has not been discussed until recently (Nonaka and Takeuchi 1995; McNichols 2010). Organisations require the development of firm specific knowledge, such as knowledge assets and intellectual capital, through effective management practices. Firm specific knowledge when applied is seen to provide value toward products and services (David and Foray 2002); the case organisation utilises knowledge as a value added service to improve customer relationships. It is identified in chapter four that the Knowledge Management Lawyers (KMLs) of the case organisation see value added services, facilitated by knowledge, as a source of CA. Through selling knowledge as a solution, reusing it and learning from it the organisation is able to provide improved services to clients.
With lawyers providing knowledge as a value added service the case organisation is able to increase the level and long-term economic value or rent from client relationships. This understanding of client relationships was not identified in the literature review, as the focus of this thesis is on internal collaborative relationships. However, client relationships are captured within the broader concept of relational capital defined in section 2.4.2. At this stage the excellence of staff will not be addressed as it is more appropriate to place this discussion in relation to the development of employees through Human Resource Management (HRM) initiatives (section 5.4). It is proposed in chapter four that staff expertise and commitment to collaboration is key in generating CA, as individuals who hold intellectual capital or embedded knowledge are able to provide value added services to clients, and development of ongoing social capital based on strong relationships, transactional trust and reliable performance over time. The case organisation identified individuals as holding potential to increase CA through applying intellectual capital and knowledge assets to products and services, which was suggested by Moustaghfir (2009) as being essential for organisational success.

The findings in chapter four indicated a few key threats to the future of the business and legal services sector in Australia were identified by respondents as the increase in global competition and challenging domestic competitive environment, loss of clients through other organisations provision of cheaper or superior services, and changing client expectations. This external environmental analysis provided by the KMLs of the case organisation is important as it also presents opportunities for increase market share and the ability to improve services. These opportunities may be harnessed through the provision of more detailed services and value in the slowing market and through broadening the business plan to capture overseas markets. Evidence is presented throughout the rest of the discussion to suggest that the case organisation already utilises knowledge as a source to improve and add value to internal processes and client transactions. Although this is the case the respondent identified the limitations of the current approach and the review and synthesis of the KM, OL and HRM literature undertaken by the author highlighted both the gaps and potential for development within the current system. This research and recommendations to follow aims to highlight the gaps and potential for of improving business and contribute to the relevant academic and professional literature in the field by highlighting the KM,OL and HRM nexus as a key focal point for improving organisational performance in professional services.
5.2 Knowledge Management Focused Strategy

The findings reported in chapter four confirmed that the significant changes in organisational strategy aligned with the movement from the resource-based view (RBV) to the knowledge-based view (KBV) of the firm (section 2.6). This indicates that the case organisations strategy is increasingly focused on intangible assets, such as knowledge, rather than the tangible resources for the development of CA. This change in strategic focus was suggested by Barney 1991; Nonaka and von Krogh 2003; Moustaghfir 2009 as the defining factor of the movement towards the knowledge-based view (KBV). Furthermore Curado and Bontis (2006) identified that these intangibles as a collective source are unique organisational capabilities; the KBV allows organisations to grasp this knowledge and use it to enhance points of differentiation and CA. This was also identified in findings, indicating that the case organisation strategy aims to find ways to gather and reuse knowledge to perform better practices and provide value.

These holistic understandings of strategy found in chapter two (section 2.5) and four (section 4.2) lead into the discussion of Knowledge Management (KM) focused strategy. It was identified by the KMLs that the KM strategy must be derived from organisational strategy to ensure alignment and the achievement of goal. Sveiby (1997) identified that without alignment to organisational strategy KM only addresses certain aspects of strategy, such as investment in IT-systems rather the all aspects of knowledge conversations. The case organisation is seen to have a weakness in this area as the three key aspects of their knowledge-driven strategy are embedded in IT-systems. These aspects include the collection of precedence and best practice documents, collection of transactional document and the development of style guides. For this organisation it is strategically essential as the documents are produced by employees, as a knowledge-sharing process, to increase knowledge banks for the purpose of creating efficient and valuable practice. This strategic perspective allows the organisation to demonstrate value creation through distinctive assets and capabilities that can be translated into a product/service bundle which have unique value (Kaplan and Norton 2004).

With strategy embedded in IT-systems the tendency within the case organisation is to focus on explicit knowledge captured in documents and databases, framing their KM strategy accordingly. From this perspective it is a weakness as the organisation is may be missing opportunities to capture tacit knowledge and understanding to generate organisational learning. Although value generation and efficiencies are produced through the effective collection, storage and flow of explicit knowledge, organisations must link the human and collective aspect of knowledge to strategy (Curado and Bontis 2006). These two
elements were not identified in the findings associated with strategy, however are acknowledged through the collaborative knowledge-sharing perspective identified and discussed in section 5.3 and 5.4. Essentially in order to gain commitment from all levels within the organisation, the strategy needs to reflect all aspects of the management of knowledge, i.e. technological, human aspects and the power of collaborative ideas (Curado and Bontis 2006). Ultimately to strengthen the organisation's strategic position the importance of tacit knowledge needs to be clearly outlined and vocalised to employees (Smith et al. 2010), ensuring they act upon the interest and goals of the organisation to generate value and CA. Organisational learning could well be the bridge by setting out management principles and values that support the development of a collaborative KM culture (Curado and Bontis 2006; Easterby-Smith and Prieto 2008).

5.3 Designing an Enabling Structure for Knowledge Management

This section compares the findings presented on how the case organisation structures themselves currently, with the understandings of organising and structuring to generate optimal conditions for knowledge generation and transfer. The findings presented in chapter four provide a mixed response in terms of organisational structure, with some respondents identifying that the organisation has a top down versus bottom up collaborative structure. This top down structure sees the partners at the top of the firm making decisions; however they are involved in verbally and substantively encouraging knowledge-sharing. This hierarchical structure can be seen as a weakness in the organisation's ability to effectively communicate ideas, however this weakness is balanced to some degree by the lower level flexibility promoted throughout the organisation.

The literature (section 2.7) depicted that in recent years there has been a shift away from hierarchical structures towards a horizontal design which allows the removal of internal boundaries, which facilitates effective communication (McGee 2003; Luthans 2011). By doing so organisations are able to draw on the theory of networking and bundle employees with similar expertise to generate and transfer knowledge, for decision making or problem solving (Kramer and Wells 2005). From this perspective, respondents suggested that the organisation does not engage in a centralised system, as KMLs work in close proximity with those performing the everyday transactional task. This allows KMLs to ensure knowledge-sharing takes place, so the organisation is able to gather and store knowledge for decision making, improving performance and problem solving. KMLs perform this task within practice groups, which are formed within different departments of the organisation. This flexibility is a strength in the case organisation's structure, allowing the generation of
organisational learning through knowledge-sharing, collaboration, idea generation and decision making (Waddell et al. 2011). Another strength of this structure is that it allows the facilitation of a knowledge culture, which in turn links back to achieving organisation strategy (Jashapara 2011).

Wenger and Snyder (2000) suggested that organisation should bundle employee expertise based on the ideals of communities of practice, aligned with the design features of teams to provide a physical structure for collaboration. The organisation meets the ideals of communities of practice, simply by bringing together employees who share similar expertise, to share ideas and new developments within their transactional field. Wenger and Snyder (2000) suggest that if individuals do not feel connected to the group, their presence will impede on knowledge-sharing. The organisation has avoided this implication by identifying communities of practice within particular transactional areas.

Alongside identifying potential communities of practice, organisations much provide supporting infrastructure to ensure communication is efficient. Wenger and Snyder (2000) suggest that management’s involvement in communities of practice ensures that any communication hurdles are overcome. The findings in chapter four indicate that the KMLs are involved in PGs to facilitate and encourage knowledge-sharing if it is not present. Furthermore, rewards have been identified as a way of increasing contributions towards communities of practice (Wenger and Snyder, 2000). It was identified in the findings that the case organisation did not employ a specific rewards system to encourage knowledge-sharing contributions. A discussion of the opportunities to create these incentives and rewards will be discussed in section 5.5. Furthermore team design elements, such as the selection of members, help to bundle expertise and skills which are complementary to one another (Rosendaal 2009). McNichols (2010) also suggest that HRM is able to aid this process through capability planning and bundling, which will be further discussed in section 5.5.

5.4 Knowledge Management

This section addresses the theory and reported practice of with KM, drawing on both the literature and findings. This is done by dividing the section into two parts. Firstly, the KM conceptions in the literature are addressed identifying the weakness of technology driven KM, alongside a discussion of the most predominant conception within the case organisation. Secondly, the support systems and structures, for knowledge-sharing, utilised by the organisation are identifies and synthesis in order to address the strengths and weaknesses of daily practice.
5.4.1 Knowledge Management Practice

The understandings reported in section 2.7, identified that IT-based KM should no longer be the forefront of the discipline (Easterby-Smith and Prieto 2008). Easterby-Smith and Prieto (2008) suggests that the management of relationships around the development, sharing and use of tacit knowledge has increased; indicating a change in the ontological and epistemological assumptions behind KM. This is as a result of organisations focusing on knowledge for organisational learning in order to improve business process. Previously, KM was led by the conception that technology is the most efficient way of storing, connecting and distributing knowledge (Venters 2010). This functionalist approach to KM is still seen today in many firms. The finding presented in chapter four illustrate that the case organisation focuses on technology for the storage and transfer of knowledge across the whole organisation, as well as to ensure communication between individuals is effective. Ultimately, by using state-of-the-art technology the organisation is able to make work practices more efficient by transferring relevant employee knowledge in a timely fashion. This perspective of KM is a strength in achieving the organisational goal of building knowledge banks and collecting precedence for continuous learning and CA. By engaging in these technologies the organisation is upholding the organisational principle of providing “the right information, to the right people at the right time” (Hlupic et al. 2002, 92).

Focus on data mining and first wave technologies is also a weakness as it does not establish an argument for the importance of relationships and individuals interactions in the generation of new knowledge (Easterby-Smith and Prieto 2008). Ontologically knowledge is now viewed as socially constructed (Easterby-Smith and Prieto 2008) and epistemologically KM previously did not allow for the subjectivity, experience and value generated within social relationships (Hlupic et al. 2002). Through the management of employee relationships organisations are able to manage the complex situation and facilitate tacit knowledge-sharing, that of which first wave technologies fails to achieve (Easterby-Smith and Prieto 2008). In order to manage social relationships and achieve organisational learning, organisations need to set up supportive management practices, routines and rewards as presented in section 5.4.2 and 5.5.

The finding is chapter four demonstrated that the firm adopted a strategy which employed individuals, who are experts in their respective fields, to facilitate knowledge-sharing and collection on a day-to-day basis. As first wave technologies are in sufficient in managing human interaction, they still play a supportive role to KM initiatives (Venters 2010). As such the case organisation demonstrates the use of relationships to strengthen the holistic organisational strategy of knowledge building and organisational learning. The
KML facilitate knowledge-sharing through practice group meetings, connecting individuals to experts if they require knowledge, gather documents which are useful and distribute them to specific people. The firm supports their work with technologies such as intranet and emails, Venters (2010) suggest that these second wave technologies allow focus to be placed on collective knowledge-sharing. The use of these technologies is further synthesised in terms of knowledge-sharing in section 5.4.2.2.

5.4.2 Mechanisms Used to Support Knowledge-Sharing

Promoting and supporting knowledge-sharing is essential within organisations as individual and organisational learning is limited unless individuals are committed to sharing or using their knowledge (Rosendaal 2009). As the literature indicates knowledge creation and sharing within a collective environment allows the knowledge conversations to take place; increasing the levels of both tacit and explicit knowledge to develop knowledge capabilities such as intellectual capital and knowledge assets. The synthesis in this section is driven by the findings in section 4.5 which demonstrated three different mechanisms used to support knowledge-sharing within the case organisation and links them to issues presented by the literature (2.7.3), such as lack of commitment, level of trust, encouragement, willingness and motivation. These three mechanisms are practice group meetings, supportive technologies and support from KMLs.

5.4.2.1 Commitment to Knowledge-sharing facilitated by Practice Groups

Teams and collaborative based knowledge-sharing within the case organisations practice group areas helps to encourage transactional lawyers to become involved in KM. However, it was indicated that at times some employees do not contribute to KM. Some of the factors associated with lack of commitment that the organisation should be aware of are discussed in this section and are also tied to HRM initiative which may increase commitment to both KM and everyday work. Rosendaal (2009) suggests that without social identification individuals may feel as though they have nothing to give or to gain from being involved in a team environment or a community of practice. Trust is also another factor which reduces or increases commitment and willingness to knowledge-share. It is evident that the more individuals identify themselves as part of a group, the more inclined they will be to share (Rosendaal 2009). In order for the case organisation to increase commitment and involvement of employee in practice group meeting they need to develop trust and social identification amongst member. Ways in which the organisation can increase commitment are addressed in section 5.5.5, through the implementation of HRM initiatives such as, employee involvement programs, rewards and recognition.
5.4.2.2 Engagement in Second-wave Technology which Support Knowledge-Sharing

The finding in section 4.4.1 indicates that the firm utilises IT-systems to store important documents and social media to support knowledge. The case organisation uses social media sites (Twitter and Linked In) and intranets to shuttle information around to organisations, as well as encourages employees to use these technologies to network with experts. These second-wave technologies strengthen the organisation's ability to distribute and generate new knowledge amongst employees. Kimmerle et al. (2010) indicated that technology is of great importance to organisations for knowledge-sharing and learning, as technology allows the transfer of rich knowledge that facilitates understanding (Joia and Lemos 2010). These technologies allow flexibility in communication and knowledge-sharing, increasing the productivity of individuals and the levels of knowledge-building. However, it can be difficult to engage employees with these technologies, as they may become bored or deemed too complex (Kimmerle et al. 2010). Therefore organisations must use rewards and recognition schemes to both motivate and engage individuals in the use of technology to strengthen knowledge-sharing and learning throughout the organisation.

5.4.2.3 Knowledge Management Lawyers

KMLs facilitate KM practices and strategy within each practice group area, they enhance knowledge-sharing through formal group meetings, the collection of relevant and up-to-date documents for repositories and informal ‘floor walks’ to increase face-to-face communication. In order for KMLs to be successful they must develop strong relationships with the transactional lawyers, these relationships help them to combat issues such as trust, willingness to provide knowledge and social identification. In establishing these relationships the KMLs should follow Kramer and Wells four step process (figure 2.1). KMLs must establish good will through clear communication, honesty and credibility (Kramer and Wells 2005). This is ensured by clearly vocalising the organisational knowledge strategy, the importance of collaborative knowledge for organisational learning and promotion of knowledge-sharing through culture (Smith et al. 2010; Waddell et al. 2011; Jashapara 2011). The case organisation should vocalise the collaborative side to strategy to establish strong relationships, rather than simply promoting the technological aspects of knowledge-driven strategy.

KMLs should also aim to achieve reciprocity by meeting regularly with all members of the team, providing feedback and ensuring that individuals socially identify themselves with their group (Kramer and Wells 2005). The case organisation is able to achieve reciprocity through regular practice group meeting and allow social identification by connecting transactional lawyers in specific practice group areas. In contrast the case organisation does
not reward behaviour through a formalised process; it is up to the KMLs to provide feedback and present employees with small rewards if they feel it is necessary. In order to strengthen reciprocity the organisation should develop a formal reward or recognition program (section 5.5.5) which is used across the organisation. KMLs need to ensure that new knowledge is used to deepen understanding, justify course of action and develop new procedures (Kramer and Wells 2005). The firm displays a strong ability to engage in this stage of the process, as KM is integrated in every aspect of daily practice and employees use and sell knowledge to benefit clients.

KMLs need to sustain long-term relationships with transactional lawyers to ensure that contributions to KM continue (Kramer and Wells 2005). Continuation of strong relationships in the case organisation is upheld by the fact that KML interact with transactional lawyers on both a formal and informal level to gain knowledge. Another strength of the KML position is the guiding of transactional lawyers in every aspect of their daily work, this helps to ensure strong relationships are maintained. Some of the daily tasks performed by KMLs may be considered functional HRM practices, such as encouraging contributions, commending individuals on knowledge-sharing, providing mentors, and training and development. These aspects of support to KM practices are further discussed in section 5.6.

5.5 Human Resource Management

This section reports the on the HRM initiatives to support the aims of a knowledge-based organisational strategy and more importantly enable and support ongoing KM routines and work practices. The discussion is divided into five sections the first two sections are guided by the findings presented in chapter four which identified training, mentoring and development as key to knowledge-sharing within the firm. Aligning these practices with the literature indicated that traditional HRM practices are only able to support knowledge-sharing rather than promote it. Many researchers suggest that HRM needs to move towards a more strategically aligned role, providing a highly committed and capable workforce (Redman and Wilkinson 2009; Burton-Jones 2011). The latter of the sections identify some of the HRM initiatives that are seen in the literature to uphold the ability for HRM to become strategically aligned and promote knowledge-sharing as an everyday practice.
5.5.1 Training and Mentoring

The findings in chapter four identified that training and mentoring are good sources of knowledge-sharing. Training and mentoring in the case organisation are utilised to provide junior staff members with the skills required to retrieve knowledge and share it. It is also acknowledged that employees are encouraged to continually refresh skills, through internal and external training, ensuring they have access to be best skills possible. The findings in chapter four also indicated that these practices are facilitated by KML rather than being executed by HRM. Whicker and Andrews (2004) suggest that HRM can plan for and understand the required strategic capabilities and skills of individuals through selections and recruitment (addressed in section 5.6.3) and can use this understanding to develop training and mentoring initiatives to suit each individual.

HRM training and development initiatives are able to provide employees with both generic and specific capabilities to increase ability to collaborate and share knowledge (Jashapara 2011). Jashapara (2011) indicated that on-the-job training, planned organisation experience, in-house training, planned experience outside the organisation, external courses, and self-managed learning are all effective training mechanisms which foster knowledge-sharing and learning. Mentoring also provide continual learning, as well as assists frequent knowledge-sharing (Germain 2011). Through these direct learning opportunities individuals become empowered to meet organisational objectives and learning (Hartell and Fujimoto 2010). In order to strengthen training and mentoring the case organisation should draw upon the ability of HRM to profile future capabilities, expertise and skills requirements, when designing training and mentoring programs.

5.5.2 Performance Management

Chapter four identifies that lawyers hold a Continuing Professional Development obligation which requires them to engage in training and professional development. However, this does not necessarily require them to engage in organisational knowledge-sharing; so long as they meet the requirements of the Continuing Professional Development they are able to continue practicing. In order to overcome this lack of involvement in knowledge-sharing the firm implemented a ‘knowledge service 50 hour policy’ which is linked to performance management. Nonetheless this policy comes with no consequences when individuals fail to complete 50 hours of knowledge work; it is simply identified as a discussion point in their performance review. In order for there to be a consequence or rewards individuals must clearly understand what is required of them, therefore organisations must clearly plan the capabilities and tasks required and provide feedback which is useful (Debowski 2006). Feedback helps to integrate organisational learning by
allowing individuals to understand the overall process and learn from experience. HRM capability planning can strengthen the process of outlining capabilities and requirements to achieve the 50 hours of knowledge work, allowing the implementation of rewards or consequences.

The literature on performance management from the HRM perspective suggests that it is an effective way of evaluating commitment (Debowski 2006). This evaluation of performance does not provide a solution to lack of commitment or engagement (Whicker and Andrews 2004). Organisations need to develop a performance support system, which guides employees to perform tasks at a high level (Whicker and Andrews 2004). In some way the firm utilise KML to support the performance process; however if individuals continually fail to meet knowledge-sharing requirements initiative such as motivation through incentives will strengthen commitment (Lam and Lambermont-Ford 2010). This incentive-based perspective is discussed further in section 5.5.5, demonstrating a strategic alignment of HRM initiatives to organisational strategy and learning.

From this perspective HRM is described as playing a functional supportive role to knowledge-sharing and learning it is also able to align itself strategically by in engaging in capability building, bundling of capabilities and individuals, rewarding and recognising knowledge-sharing . Also emphasising the importance of knowledge work and achieving organisational learning. Advocates of this perspective argue that HRM practitioners need pursue the more strategic role in the rather than becoming another stagnant functional aspect of the organisation. This requires HRM to be seen as a dynamic source of change initiatives, rather than a function.

5.5.3 Capability Building

Although the findings in chapter four did not emphasise HRM as a strategic partner in reaching organisational learning and CA; the literature review found that HRM is able to define and identify knowledge capabilities and place employees’ knowledge and know-how at the centre of strategic development (Whicker and Andrews 2004). Through examining organisational needs and planning in terms of knowledge capabilities HRM is able to ensure employees hold the right skills and competencies (Newell et al. 2002), and in turn generate and transfer new knowledge (Whicker and Andrews 2004). The HRM initiatives of recruitment and selection enable the organisation to build knowledge bundles comprised of high calibre talent which can be applied to problem solving and idea generation for organisational learning and improvement (Whicker and Andrews 2004).
In the Knowledge Economy individuals with strategic knowledge capabilities are known as knowledge workers; if an organisation is going to compete in a knowledge-driven market they must plan and map their organisational knowledge needs to ensure they are able to employ and develop knowledge workers that possess the right skills and competencies (Newell et al. 2002; Hartell and Fujimoto 2010). Furthermore, through mapping and planning for specific capabilities organisations will employ and encourage employees who are connected to their work through hedonic and normative motivation. Hedonic motivation stems from an individual’s self-drive to achieve a high standard through engagement in individually enjoyable activities, and normative motivation is linked to compliance with social norms (Lam and Lambermont-Ford 2010). HRM ensures the identification of individuals who are willing to perform tasks as their capabilities and skill are linked to the position requirements and whom can achieve organisational learning through knowledge building.

5.5.4 Bundling Capabilities and Teams

As well as identifying, recruiting and selecting for organisational capabilities HRM is able to bundle groups of employees with common capabilities to ensure the knowledge-sharing process is effective (McNichols 2010). With HRM engaged in the development of teams the bundling of likeminded individuals will take place, allowing for team dynamics to demonstrate strong social identification. This strong social identification will stem from individuals holding similar and complementary capabilities and expertise, which in turn increases the levels of trust and commitment to the cause (Rosendaal 2009). In order to strengthen the process of knowledge-sharing between team members organisations need to apply HRMs organisational capability planning. HRM is able to assist in the development of clear communication channels by ensuring the right bundles of employees are working together, through planning and recruitment (McNichols 2010). Furthermore, commitment to teams and collaborative work can be supported by the implementation of incentives, rewards and recognition as discussed below.

5.5.5 Commitment from a HRM Perspective

The results in chapter four did not identify any commitment practices that encourage employees to participate in knowledge-sharing, which is seen as a weakness to knowledge strategy. The following HRM initiative should be considered by organisations when designing management practices to achieve commitment to knowledge-sharing and organisational learning. The extensive literature search undertaken for this study found that commitment towards organisational strategy and management systems is affected by the implementation of HRM facilitated employee involvement programs, rewards and
recognition schemes. Chi et al. (2011) suggested that employee involvement programs such as self-directed teams and total quality managements allows employees to become involved in decision making, increasing commitment to the cause, performance and quality of work. From this aspect HRM is able to support the development of communities of practice, to ensure individuals within teams work effectively together ensuring a high level of knowledge-sharing.

HRM initiatives, such as rewards and recognition, help to direct employee efforts toward knowledge-sharing, group performance and innovative thinking (Yahya and Goh 2002; Jashapara 2011). Rewards and recognition programs are seen to drive commitment and motivation towards knowledge-sharing, benefiting both the individual and the organisation. Incentive-based schemes, such as individuals and collective pay by result, bonus schemes, performance related pay and cafeteria benefits, increases an individual’s ability to satisfy their own needs with additional resources as well as increasing performance and commitment at the same time (Lam and Lambermont-Ford 2010). Through attaching these benefits to knowledge-sharing and KM related work, the organisation will benefit from increase motivation and commitment.

5.6 The Crucial Role of Culture in Achieving Competitive Advantage

This section addresses the encouragement and engagement of employees in making contributions to KM and ultimately organisational learning. The literature review found that organisational culture holds a large impact on the way individuals act as part of a social process for learning through knowledge building. McNichols (2010) suggested that building a knowledge-sharing culture through the promotion of teamwork and mentoring organisations will see an increase in commitment towards knowledge building and learning. The findings in section 4.7 and table 4.3 demonstrated that the firms understands culture as the underlying factor for the success of KM; as it promotes knowledge-sharing through commitment of partners and senior employees in practice groups. Commitment from the partners is a strength for the case organisation, as McNichols (2010) identifies that management’s actions and values impact on organisational culture. With visible support from partners and senior employees organisation will be able establish a reason to care and a feeling for employees that they are a part of something bigger (McNichols 2010).

Another strength identified by the finding is that the case organisation provides the right mindset for individuals to generate discussion for knowledge building and learning. Providing an environment where individuals are empowered to generate discussion and make decisions, will create a willingness or commitment to knowledge-sharing and a reason
to ‘care’ (Jashapara 2011). ‘Care’ as a value is central to knowledge creation, it emphasises the individuals need to satisfy self-interests (Jashapara, 2011). By pursuing self-interests individuals are satisfying their normative intrinsic motivator, to commit to a social group as they share the same values. Jashapara (2011) suggests that alongside building these internal motivators, HRM can support the promotion of knowledge-sharing through external motivators such as remuneration, mentoring and training programs. These motivators aim to increase the level of care amongst employees as well as improve organisational relationships (Jashapara 2011).

It is the consensus that the case organisation promotes unhindered values of knowledge-sharing, which is demonstrated in all aspect of the organisational culture. Jashapara (2011) identifies that organisations need to display inspirational values which support strategy throughout the organisation to achieve a knowledge-sharing culture. These core values over time will influence remuneration policies, and recruitment and selection (Jashapara 2011); ensuring the organisation is built with employees who are committed and loyal. Jashapara (2011) suggest that HRM is able to support the development of these types of values, by working with a team of executive over time to link organisational values with strategy. Through continuous integration and verbalisation of these values organisations will be able to achieve a well-established culture (Hartell and Fujimoto 2010), reflecting open mindedness and sharing, much like that described in the findings from the firm.

5.7 Conclusion

This chapter has synthesised the research findings from chapter four with reference to the literature presented in chapter two. The study validity has been enhanced through this approach and the research data provides a base upon which future research may be structured. This study has identified some misconnections between the knowledge in the field of KM and HRM, and practice within a law firm. The study found that there is still a need to increase the understanding of the ‘soft’ aspects to knowledge creation and sharing, for the organisational purpose of learning and value creation. Hartell and Fujimoto (2010) suggest that through aligning HRM strategically to KM and knowledge-sharing, organisations will be able to achieve organisational learning. The outcomes address above will be outlined in chapter six alongside recommendations for improving KM within the Knowledge Economy. Chapter six will also address the possible of future research.
Chapter Six: Conclusion

6.1 Introduction

This study is both different and significant. It addresses the gaps in the literature on the ‘hard’ and ‘soft’ aspects of Knowledge Management (KM) practices in a knowledge-driven legal service firm. It provides a snapshot of what the managers think about their daily roles and their interaction with Knowledge Management (KM) systems. This chapter revisits the research themes and objectives that were set for the study in chapter one and reviews the contribution each chapter has made to addressing the research question. It draws conclusions from the synthesis and discussion of the research data in chapter five to present the outcome of this study for the law firm and provides recommendations for future research.

6.2 Contributions from Each Chapter

| Chapter one | introduces the practice and theoretical context in which this study was undertaken and addresses the analytical framework which shapes the research boundaries and indicates the research questions. Chapter one ultimately identifies that this research set out to answer the following question:

*In what way do HRM initiatives within a legal service firm engender greater employee commitment to KM and organisational learning and the achievement of differentiated services and sustained competitive advantage?*

This question is answered through the synthesis of a theoretical and practical perspective of the concepts surrounding KM and Human Resource Management (HRM).

| Chapter two | reviews the literature pertaining to the understandings surrounding the management of knowledge, and its use as a source of competitive advantage (CA). This chapter notes that since the early 1990’s organisations have changed organisational strategic focus towards intangible resources, and more recently the potential of employee knowledge in generating value and organisational learning for the purpose of capacity building. Chapter two suggests that the alignment of KM and Human Resource Management (HRM) for the purpose of achieving organisational objectives, through the engagement of employees in knowledge-driven activities is not well documented in the literature.

The literature described in chapter two embodies broad domains such as the competitive environment, strategy, structure, KM, HRM, and culture. It aims to build an analytical base for a practical understanding of the phenomenon of KM within a law firm, and the impact HRM initiatives have on engaging employees. The literature indicated that organisations are able to utilise HRM initiative, such as, planning for capabilities, recruitment and selection, training and development, rewards and recognitions and performance management to
increase employee commitment and motivation towards KM practice. However, it was identified that these techniques were not necessarily employed from a HRM perspective. Other underlying discoveries from the literature specified that without a knowledge-based strategy or the structure to support knowledge-sharing organisations are unable to compete in knowledge-driven competitive environments. Furthermore, organisations as a whole need to focus all management practices and strategies toward organisational learning and a knowledge-sharing culture to ensure the organisation is able to obtain the highest results and reuse knowledge to improve competitive advantage (CA) and productivity.

**Chapter three** describes the research procedures and the methodology to be applied for analysing the data. It established a research framework which is a diagrammatic display of the research methods from data collection and analysis, to synthesis of findings and discussion, and presentation of the study implications and recommendations. The gap and questions identified in the analytical framework were used in chapter four to develop the interview questions. The interviews addressed the gaps in the literature and informed the synthesis and discussion in chapter five.

**Chapter four** presents the results of the interviews which represents the primary data for stage two of the research. Items that required further investigation were addressed in a second round of questioning prior to the synthesising conducted in stage three of the research.

**Chapter Five** synthesises the theory and literature identified in the analytical framework with managers’ perceptions in order to make sense of the KM phenomenon. The studies transferability is enhanced through this process, by providing the reader with descriptive data which has been review by the participants and identifies trustworthiness to promote quality in the outcomes achieved. It is identified here that the is a lack of understanding of opportunities HRM initiatives are able to provide in the aim of achieving employee commitment and engagement to knowledge-driven work practices. Chapter five shows that KM is still largely focused on technology as key to the storage and flow of knowledge, however collaborative idea generation is essential for organisational learning and the achievement of (CA). These findings will be elaborated on in section 6.3.

### 6.3 Outcomes of this Study for the Case Organisation

The findings and data synthesis conducted in chapter five are considered to make an important contribution towards expanding the body of knowledge relating to the alignment of KM practice and HRM initiatives in the aim to achieve organisational learning and CA. This section identifies the findings in relation to the case organisation and then presents
recommendations to assist the organisation in increasing value and competitiveness through effective knowledge creation and sharing.

For example, the study found that the case organisation is operating in a knowledge-driven environment, which requires the organisation to utilise knowledge in decision making and as a competitive resource (McNichols 2010). From this perspective the organisation is acting successfully as members of the organisation recognise the need to become more competitive through intangible assets and see the potential in human capital and knowledge resources. This is seen by the literature as essential in developing CA through knowledge transfer and learning (David and Foray 2002). Although the organisation appreciates the need to act along these lines of understanding it is unable to completely retain and use knowledge through the lack of commitment to KM.

The case organisation’s strategy is effectively focused towards the opportunities presented by knowledge sharing, stocks and flows, however fails to fully articulate the opportunities presented via collaborative knowledge generation practices focused on tacit knowledge, with the dominant focus on IT systems for the capture, storage and sharing of knowledge. In order to overcome the limitations of IT-driven strategy the case organisation needs to vocalise the importance of collaborative efforts towards knowledge transfer and learning as the outcomes are more significant than the individual pursuit of goals (Curado and Bontis 2006). The case organisation demonstrates and effective structure which aims to achieve effective knowledge-sharing. The flexible structure employed by the case organisation allows well-organised communication between employees, and the opportunity for knowledge-sharing to occur (McGee 2003; Luthans 2011).

The results illustrate that the case organisation utilises both 1st and 2nd wave technologies. Employees in the case organisation are verbally encouraged to use a variety of technologies, such as social media, intranets and databases, to transfer knowledge and learn. This ICT enabled practice harnesses the power of social networks and information repositories help to make work practices more efficient, however they fail to support knowledge creation and sharing when the technology is too complicated and employees become disinterested in them (Kimmerle et al. 2010). Although employing state-of-the-art technology is a strength it can also be seen as a weakness or distraction as an excessive focus on these tools, fails to address the human interactions associated with the generation of new knowledge (Easterby-Smith and Prieto 2008). This study identified that the case organisation employed practice group meetings and KML to facilitate knowledge-sharing, in order to overcome the weakness of technology-driven KM. To ensure the stability of
practice groups the case organisation should engage HRM capability planning and bundling in the development stage of team generation (Rosendaal 2009). This will ensure that members of the team are committed to the subject area and goals of the group, enabling trust and social identification to occur (Rosendaal 2009). This study also highlights the value of using of KML, in a leadership or management role, to facilitate knowledge-sharing and knowledge work through the practice group areas. This is a strength, as it provides a visual and constant awareness that knowledge related work is important throughout the organisation. To further increase the potential of this position clear roles and daily tasks of the KML is required. This position also helps to establish strong relationships and reciprocity between managers and staff, which essential results in commitment to knowledge work (Kramer and Wells 2005).

This study did not identify the use of HRM initiatives within the case organisation to improve the engagement of employees in KM or the facilitation of knowledge-sharing. From a theoretical perspective this may be seen as a weakness as the leadership group have not yet shifted for HRM from an operational to more strategic role building future capabilities to anticipate a changing market for legal services and undertaking a KM enabling role in the business. In order to strengthen training practices facilitated by KML the organisation should draw upon the HRM literature and exemplar cases from the professional services sector, to design KM supportive training and mentoring programs (Jashapara 2011). The case organisation should also link assessment of individual and team contributions to KM, to the performance management process and the development of rewards and incentives (Whicker and Andrews 2004). Furthermore, the case organisation may also employ related programs and initiatives such as employee involvement programs, reward and recognition schemes to gain commitment to KM and enhanced organisational learning.

The case organisation suggested that HRM initiatives are helpful to some degree, as their take on gaining commitment is gained through the promotion of a knowledge-sharing culture. This organisation attitude is a strength within the case organisation as it achieves the results they require. Smith et al. (2010) indicated that developing a KM mindset is the beginning point of engaging employees in knowledge-sharing. Leaders in organisations need to look at developing linkages between strategy, structure, KM, HRM and culture to enable organisational learning and continued success or survival in a highly competitive global market.
6.4 Contribution to Academic Knowledge

One of the purposes of any research piece is to make a sound contribution to academic knowledge. By way of contributing new knowledge to the KM field this thesis identifies the importance of HRM initiatives in engaging employees in knowledge-sharing. It brings together the two concepts of KM and HRM and identifies the attributes each disciplines need to demonstrate in order to generate competitive advantage. This echoes in the finding that HRM holds the ability to build a knowledge sharing culture through training, mentoring, building capacity and bundling knowledge users into teams. Ultimately, the thesis contributes the understanding that HRM initiatives are the enablers of building a knowledge-sharing culture for sustained competitive advantage.

6.4.1 Recommendations for Enhanced KM Practice

The study question and rationale for using HRM initiatives to strengthen an organisational ability to enhance knowledge use for the creation of value and the development of organisational learning is addressed in this section. The points below outline the ‘ideal’ structure to promote knowledge-sharing and ensure its ability to enhance organisational learning and CA. This aspirational structure was identified through the synthesis of the extensive literature review in chapter two and the practice case perspective in chapter four. This outline aims to increase the potential of knowledge-sharing and KM use for organisational success.

**Strategy** – Organisations need to vocalise a knowledge-driven strategy that emphasises both the technical and the human aspects of knowledge use and sharing (Curado and Bontis 2006). Leaders, manager’s and staff should understand the importance of collaborative knowledge sharing and the generation of intellectual capital and knowledge assets as an aspect of organisational learning to achieve organisational goals and increase the efficiency of work practices.

**Structure** – Flexible and open structures enable the facilitation of knowledge-sharing. The literature suggests that grouping individuals should draw on the ideals of communities of practice and teams (Wenger and Snyder 2000). These structures ensure individuals with complementary expertise and strong commitment to a task, innovation or problem work together (Wenger and Snyder 2000). In order to improve the process of bundling employees HRM can assist through the planning and identification of specific capabilities (McNichols 2010).

**Knowledge Management Practice** – This study recognises the move towards employee collaborative effort to improve KM rather than focusing on technology
(Jashapara 2011). Organisations require the use of both 1st and 2nd wave technologies in the management of organisational knowledge assets. These technologies facilitate the storage and dissemination of knowledge as well as the effective networking and communication between individuals (Easterby-Smith and Prieto 2008; Venters 2010). The case organisation emphasised the effectiveness of employing state-of-the-art technology to facilitate KM.

**Knowledge-sharing** – In order to overcome the issues inherent in knowledge-sharing organisations should draw on HRM initiatives such as capability bundling and rewards. HRM through capability planning is able to identify potential networks between individuals that will work well, as they are able to identify the complementary capabilities of individuals (Rosendaal 2009). Lam and Lambermont-Ford (2010) suggest that HRM is able to provide rewards and recognition programs which will facilitate the engagement and commitment of employee in knowledge-sharing.

**Human Resource Management Initiatives** – This study indicated that HRM initiative such as training and mentoring, performance management, capability planning, building teams and commitment programs can assist in the achievement of effective and efficient knowledge-sharing for organisational learning. These initiatives are not new in the field of HRM and are well established, therefore organisation will able to achieve increase outcomes through the application of HRM initiative as a supportive process to KM practices (McNichols 2010).

**Culture** – Organisations in the Knowledge Economy need to develop an organisational mindset and a set of values which promote knowledge-sharing to ensure the development of knowledge assets and intellectual capital is achieved (McNichols 2010; Jashapara 2011). Through continuous integration and verbalisation of these values organisation will be able to achieve a well-established knowledge-sharing culture (Hartell and Fujimoto 2010).

The six points presented above need to be aligned linking organisation structures, KM, HRM and culture with the common aim of achieve a clearly vocalised strategy. Through pursuing the ‘optimal’ or ‘ideal’ structure for knowledge use within the organisation, the opportunity is present to achieve a more robust strategy. Although the ideal is theoretically compelling, organisations are not always able to operate in such controlled conditions. The following section provides some recommendations for future research in order to overcome the issues associated with bridging KM theory and practice.
6.5 Recommendations for Future Research

Knowledge use and sharing is an important issue for organisations competing in the global Knowledge Economy. Attempts to improve KM systems and practices are evident in the case organisation appears to be effective, however in many organisations management practices and organising principles are still focused on the technological aspects of knowledge generation and dissemination. This study recommends HRM initiatives, culture and the promotion of organisational learning are able to provide further support to the strategies, structures and KM practices employed by organisations. Although this small exploratory case is useful in the context of Australian legal and professional services further empirical and case based inquiry is required to understand and unpack the potential of the nexus between KM, HRM and OL theory and practices.

The study recommends further investigation within other knowledge-driven industries, with the aim to identify ‘contextually grounded enhanced practice’ for KM and knowledge use in organisations.
7.0 Reference List


Debowski, Shelda. 2006. “Supporting knowledge management through human resources management practices” In Knowledge Management. 1st ed. Queensland: John Wiley & Sons Australia Ltd.


8.0 Appendices
8.1 Appendix one: Preliminary Interview Questions

Purpose of the interviews

The overall aim of the interview process is to identify the gaps, opportunities and risks associated with Knowledge Management systems and strategies. The core concern of the study is the interaction of Human Resource Management practices and KM systems within the organisation with respect to enabling and fostering knowledge creation and transfer among employees. The interviews are intended to provide insights and improved understanding of organisational alignment of KM and HRM practices to enhance knowledge-sharing, reduce risk and add value to the firm’s services and reputation.

First Round

KM Strategy, systems and practices

1. What are the key factors that give law firms a sustainable competitive advantage? What are the key factors within Allen’s that support Allen’s’ competitive advantage and market position?
2. What are the main competitive opportunities and threats for Allen’s in the current national and global business environment?
3. What are the main elements of your current KM strategies and programmes?
4. To what extent are your KM activities based on the following:
   a. IT systems, databases and technology driven information flows.
   b. Human based interactions, knowledge generation and knowledge flows through networks, meetings and one on one interactions
   c. Development and retention of Intellectual Property, for example, precedents and best practice documents.

Knowledge-Sharing and Transfer

1. What practices and strategies do professional service firms generally employ to facilitate knowledge-sharing?
2. What people oriented KM strategies does Allen’s employ in order to compliment IT based storage and dissemination of information?
3. Are Allen’s staff currently engaged in knowledge-sharing through networks, knowledge communication and teams? Please provide examples of relevant activities
4. How are Allen’s employees engaged and motivated to contribute to the knowledge management activities?
   a. How is this reflected in Allen’s culture, structures, systems and management practices?

Second Round

Human Resource Management

1. Does Allen’s employ specific rewards or incentives to promote knowledge-sharing? Please give examples to support your answer.
2. Do you personally think that HR practices have an influence on the development of KM within Allen’s?
3. Are training or learning and development activities used to support knowledge creation and sharing at Allen’s? If so please give examples of the activities or programs and their KM applications.
4. Are employees at Allen’s provided with sufficient training and development in the areas of networking, collaboration, partnering and knowledge-sharing? If so please give examples of relevant training and development programs and activities. Please comment on how this could be developed to support more effective knowledge-sharing and value creation across the Allen’s network?
8.2 Appendix Two: Changes to Second Round Questions

Finalised Second Round Questions

**Human Resource Management**

1. Is mentoring of junior employees formalised as a rewarded program? If so is it organisation wide or PG specific?
2. Do you think HR developed and enforced rewards, incentives, training and development will help to increase the input of staff in KM related work? (i.e. rewards or consequences for meeting (or not) meeting the required 50 hours of knowledge services work).
3. Is culture the main driver of KM and Knowledge Services work? Or are other factors like PG structure and the need to be competitive more influential in gaining employee commitment to KM and Knowledge Services?
4. Is the encouragement of KM and Knowledge Services by KMLs an established role or is it the choice of KMLs to provide positive feedback?
Appendix 8.3 Information Letter

KM practices in Knowledge-driven firms: Developing value through alignment of HRM.

Dear Participant,

I would like to invite you to participate in a research study looking at how Human Resource (HR) practices assist in adding value to products and services within organisations. This study is part of my Honours Degree in Human Resource Management, supervised by Dr Scott Gardner at Murdoch University. Allen Arthur Robinson (AAR) would be of particular interest as I understand that you have an established Knowledge Management (KM) system, which assists in improving the advice offered by your legal professionals and adds value to client service.

Nature and Purpose of the Study

Through an examination of current literature in the areas of knowledge generation and transfer, and KM and HR practices, it seems that organisations have been unable to identify the most effective methods for engaging employees in creating new knowledge. The research aims to provide an understanding of KM strategies and the ways in which HRM practices limit or enable knowledge generation and transfer. The relationship between human and technological driven aspects of KM will be explored with particular attention to the potential that is embedded in the ICT (hard systems) and human (soft systems) interface.

Therefore the aim of this study is to explore KM and HR practices in the emerging Knowledge-driven society. It will focus on the current literature of KM and develop a case study of the designated firm seeking enhanced knowledge creation and transfer, as well as sustainable competitive advantage through progressive HR practices.

If you consent to take part in this research study, it is important that you understand the purpose of the study and the tasks you will be asked to complete. Please make sure that you ask any questions you may have, and that all your questions have been answered to your satisfaction before you agree to participate.

What the Study will Involve

In order to answer the research questions, an examination of current practices and systems within AAR will be undertaken. A case study approach will be employed and will require consenting participants to engage in the following stages:

- Key stakeholders (employees from AAR) of the composite KM systems will be approached to participate in two rounds of semi-structured phone interviews.
- The first round of interviews will be exploratory gaining a holistic picture of the unique approach to KM employed, opportunities and limitations. This will help to create a preliminary picture of the KM practices and systems at AAR.
- The second round of interviews is conducted with the original respondents. In this round participants will be provided with a summary of results from the first round. These results will guide the questioning, directing a more in-depth analysis of the systems and practices and a discussion on the possibility of improvement of employee engagement.
- Once the data is analysed, a report outlining limitations and opportunities for AAR drawing on the literature for potential improvement AAR will be developed. The content of the report will require approval from all participants to clarify understanding and ensure that ethical guidelines of the research are followed and sensitive information is removed upon request.
- It is estimated that both rounds of phone interviews will be approximately 30 minutes each.

Voluntary Participation and Withdrawal from the Study

Your participation in this study is entirely voluntary. You may withdraw at any time without discrimination or prejudice. All information is treated as confidential and no names or other details that might identify you will be used in any publication arising from the research. If you withdraw, all information you have provided will be destroyed.
Privacy
Your privacy is very important to us. Your participation in this study and any information provided will be treated in a confidential manner. Your name and identifying details will not be used in any publication arising out of the research. Following the study that data will be kept in a de-identified format, in a locked cabinet in the office of Dr Scott Gardner.

Benefits of the Study
It is possible that there may be some benefits that arise from your participation in the study. The study aims at developing a superior understanding of different methods for knowledge sharing and how the balance between technology and human interaction may enable improvements in KM. Systems stakeholders will become familiar with limitations, new ideas, opportunities and risks. This will enable an understanding of the short comings of KM, HRM and organisation, and their ability to add value. Furthermore, organisation will become able to integrate KM systems and HRM practices together, aligning them with strategic objectives in the aim to improve operational efficiencies which take foothold in creating value.

While there is no guarantee that you will personally benefit, the knowledge gained from your participation may help others in the future. This may include the ability to perform further research in the area of KM and HRM as an interdisciplinary approach and also the identified gaps in order to develop strategy which will minimise risks and increase opportunities.

Possible Risks
There are no specific risks anticipated with participation in this study as the material examined will not include private or personal information. Alternatively, if data competitive material arises this information will be censored from the data collection. (I am not sure how to word this sentence if you could please help)

If you have any questions about this project please feel free to contact either myself, Erin Marley on mob. 0439 303 695 or my supervisor, Dr Scott Gardner, on ph. 9360 6377. My supervisor and I are happy to discuss with you any concerns you may have about this study.

Once we have analysed the information from this study we will email a copy of the review case study and a summary of our findings. You can expect to receive this feedback by early November.

If you are willing to consent to participation in this study, please complete the Consent Form attached.

Thank you for your assistance with this research project.

Kind Regards,

Erin Marley

This study has been approved by the Murdoch University Human Research Ethics Committee (Approval 2011/208). If you have any reservation or complaint about the ethical conduct of this research, and wish to talk with an independent person, you may contact Murdoch University’s Research Ethics Office (Tel. 08 9360 6777 or email ethics@murdoch.edu.au). Any issues you raise will be treated in confidence and investigated fully, and you will be informed of the outcome.
8.4 Appendix Three: Consent Form

Consent Form for Participation in Interviews

An exploration of KM in Knowledge-driven organizations: development of value through aligning HRM

Participant

I have read the participant information sheet, which explains the nature of the research, its purpose, the procedures involved, what is expected of me and the possible risks. The information has been explained to me and all my questions have been satisfactorily answered. I have received by email a copy of the information sheet to keep.

I agree voluntarily to take part in two rounds of phone interviews as part of this research. I understand that I do not have to answer particular questions if I do not want to and that I can withdraw at any time without consequences to myself.

I agree that research data gathered from the results of the study may be published provided my name or any identifying data is not used. I have also been informed that I may not receive any direct benefits from participating in this study.

I understand that all information provided by me is treated as confidential and will not be released by the researcher to a third party unless required to do so by law.

☐ I would like to receive a copy of any comments attributed to me for verification / or amendment.

☐ I am happy for my comments to be used without being contacted again, so long as the material is unidentifiable.

☐ I would like to receive a copy of the feedback from the study.

____________________________________  ________________________
Signature of Participant                  Date

Investigator

I have fully explained to __________________ the nature and purpose of the research, the procedures to be employed, and the possible risks involved. I have provided the participant with a copy of the Information Sheet.

____________________________________  ________________________
Signature of Investigator                  Date

____________________________________  ________________________
Print Name                                 Position

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ABN 61 616 369 313