

**Research Article**

## **Human Resource Management Impact on Knowledge Management in the Sepah Bank Iran**

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**ABSTRACT:**

Knowledge is increasingly claimed to be a key critical resource and source of competitive advantage in the modern global economy, especially with the rise of the service economy, the growth in the number of 'knowledge workers', the increasingly rapid flow of global information, and the growing recognition of the importance of intellectual capital and intellectual property rights. Knowledge, with its intangible aspects, is becoming a defining characteristic of economic activities, as opposed to tangibles such as goods, services or production processes. The rise of the knowledge economy has seen a proliferation of information and communication technologies, coupled with greater organizational complexity, the growth of virtual and global organizations and rapid change. This in turn requires drastic change within HRM to respond to changing demands of the knowledge economy. The purpose of this paper is to explain and empirically test the dependence of organizational processes related to knowledge on the nature of assumptions operating in processes of human resource management (HRM) in organizations. It concentrates on practices related to training, career development and retention. This study was made in Sepah Bank Iran, This bank is divided into four large geographical areas. In this study, we examined the Sepah Bank branches are stationed in Tehran. Total population in this study, have been approximately 1,500 people According to Morgan table were selected, 300 randomly as the subjects The data were analysed using version 22.0 of the SPSS and Partial Least Square (Structural Equation Modeling) programmes. Results showed that the hypothesis that Career Management have a significant positive impact on knowledge management Implementation. Training have a significant positive impact on knowledge management Implementation. Retention dont have a significant positive impact on knowledge management implementation

**Keywords:** Service sector, Knowledge management, Training, Human resource management, Career development, Retention

**1- INTRODUCTION:**

Nowadays, service operations have been placed in a prominent position in the global economy. This importance is confirmed by Korczynski et al. (2000), who emphasize the tendency of modern corporations to combine the production of physical goods with services, and report that, currently, services represent a great opportunity for organizations differentiate themselves and gain competitive advantage According to Anantamula

and Kanungo (2010), operations aimed at providing services have a special characteristic in relation to those predominantly supplying physical goods: the intangibility of a large portion of their assets. Although knowledge can be considered the main asset of any modern organization because through it, it is possible to obtain a competitive advantage, for service providers, the knowledge and skills of individuals become more valuable

because the whole process of service operations is based on this type of organizational asset (Valio et al, 2014).

The focal point in the science of management is to discover and formulate “laws of behavior” that will increase productivity. Nowadays, productivity depends on the ability of managers to create new knowledge and generate “smart” action. In the new economy, *knowledge* has become the primary factor of production and not machinery or financial capital as in the old industrial economy. This coupled with the fact that the service sector accounts for a substantial part of employment and that the main value driver comes from services and not from goods, means that in this day and age the sources of competitive advantage are intangible and not tangible assets. The strategic emphasis is now on how effective and adaptable a company is. As a result, technology is no longer at the center of a company’s operations. Instead it has become a tool for the achievement of immediate market response. Within the new business environment a company’s profitability depends to a large extent on its ability to learn. The ability to learn has been proven to increase when organizations knowingly use dynamic processes that help nurture, leverage and motivate people to improve and share their capacity to act. These managerial processes encapsulate the notion of knowledge management (KM). (Tzortzaki, 2014).

Knowledge management is one of the most quickly developing concepts of management. It is the effect of the orientation on knowledge in management and of the era of business based on knowledge. Nowadays knowledge has become a key resource of the organization. It is a basic element of people competencies (building them up together with attitudes and skills) and a basic element of human capital. People are the basis of knowledge management system. It is due to the fact that they are the ones who run processes connected with identification, creation, obtaining, purifying, protecting and transferring the knowledge. People are intellectually engaged in all these activities and the level of this

engagement and the correctness of thinking can be weakened or strengthened by the influence of the different factors (Jaroslaw, 2015).

Successful organizations are those which are able to manage uncertainty through knowledge creation and dissemination across all levels throughout the organization. Knowledge shapes the firm’s core competences and therefore determines value creation. As a result, knowledge has been treated systematically much like other tangible resources and many organizations are exploring the field of knowledge management (KM) in order to improve and sustain their competitiveness. On the other hand, scholars of KM have noticed that KM involves not only a set of software and hardware infrastructures but also corresponding organizational arrangements such as culture and people. It is well recognized that human resources are critical inputs in the production process. It has become largely accepted today that a firm’s competitive advantage may be generated from firm human resources (HR). Organizations manage human resources through establishing human resource (HR) departments in a functional organizational structure. Human resource management (HRM) practices are widely recognized as playing a crucial role in creating and sustaining organizational performance. Okunoye and Karsten (2002) stated that KM has indeed become the underlying sources for successful organizations regardless of their size, activity and geographical locations. Prior researches about KM excessively stress the operational and technological aspects of KM; however, people management (e.g. human resource management) is the approach that truly contributes to KM. Since 1990s the success of organizations is closely related with KM implementation. Working on this assumption, several studies have been carried out to identify factors that affect successful KM implementation. These factors are called critical success factors (CSFs) of KM. (Ibraheem et al, 2015).

It is claimed that successful learning organizations create an organizational environment that

combines organizational learning with knowledge management. Moreover, whereas organizational learning is primarily concerned with the continuous generation of new knowledge, knowledge management is primarily centered on the formalization, storage, sharing and distribution and co-ordination of existing knowledge assets throughout the organization. An inherent feature of both is the sharing of ideas to create and develop new knowledge, enhanced by conducive organizational structures and culture and supported by effective knowledge management systems. Although human resource management can be approached in different aspects, the fact remains that it has to do with the employees. On the other hand the role and importance of human resources in knowledge management is undeniable. A few ways for human resource management to influence knowledge management are usually mentioned (Aziri et al, 2013):

- Help to develop an open culture in which the values and norms emphasize the importance of sharing knowledge.
- Promote a climate of commitment and trust.
- Advise on the design and development of organizations which facilitate knowledge sharing through networks and communities of practice (groups of people who share common concerns about aspects of their work), and teamwork.
- Advise on resourcing policies and provide resourcing services which ensure that valued employees who can contribute to knowledge creation and sharing are attracted and retained.
- Advise on methods of motivating people to share knowledge and rewarding those who do so.
- Help in the development of performance management processes which focus on the development and sharing of knowledge.
- Develop processes of organizational and individual learning which will generate and assist in disseminating knowledge.
- Set up and organize workshops, conferences, seminars and symposia which enable knowledge to be shared on a person-to-person basis.

- In conjunction with IT, develop systems for capturing and, as far as possible, codifying explicit and tacit knowledge.
- Generally, promote the cause of knowledge management with senior managers to encourage them to exert leadership and support knowledge management initiatives.

Similarly to what happens in other sectors of the economy, and due to an environment characterized by turbulence and continuous change, the service sector, and particularly the financial sector, has been subject to major changes of a structural, legal and technological order. As a consequence of these changes, in recent decades the financial sector has recorded unprecedented growth rates, to become the principal body in charge of international commerce. It is estimated that in 2020 the weight of this sector in global exchanges rose to 50 percent. Even so, despite being the economic sector with highest growth rates in developed countries, it is the one researchers have paid least attention to. Nevertheless, some studies emerged (e.g. Ali and Ahmad, 2006; Bontis and Serenko, 2007, 2009; Cabrita and Bontis, 2008; Theriou and Chatzoglou, 2009) aiming to explore and understand questions of intellectual capital, organizational learning, human resource management (HRM) and KM in the banking sub-sector. Common to all these studies is the supposition that these intangible assets and their management, also for firms in this sector, are determinants of the level of competitiveness. Our study arises in this context, aiming to contribute to understanding the subjects of HRM and KM in the financial sector (Figueiredo et al, 2016). A strong body of literature and various scientific studies give a foundation to the subject analysed here, suggesting an analysis and comprehension based on a viewpoint of complementarity and interdependence of the two constructs (human resource management (HRM) and KM), considering the contribution they should make in terms of innovation, competitive advantage and

organizational performance. Specifically, concerning HRM processes, training, career development and retention are analysed here, seeking to understand the relational dynamics developed between these three people-management processes and four knowledgemanagement processes: knowledge-centred culture; competitive orientation; formal KM practices; and informal KM practices, in The Sepah Bank Iran in the sub-sector of the service sector in The purpose of this paper is to explain and empirically test the dependence of organizational processes related to knowledge on the nature of assumptions operating in processes of human resource management (HRM) in organizations. It concentrates on practices related to training, career development and retention. Besides this introduction, the paper is structured in four other sections. The next section addresses the theoretical framework used to base the field research. Then, we present the methodology adopted for the field research. Subsequently, we present and analyze the case of a service sector (Sepah Bank Iran). Finally, we discuss the final remarks

2- **Conceptual framework and hypotheses:** Knowledge has been recognized as an important source of competitive advantage and value creation, as an indispensable ingredient for the development of dynamic core competencies and, more generally, as a determinant factor for firms with global ambitions. Moreover, knowledge that firms acquire is a dynamic resource that needs to be nourished and managed carefully. (Farzin et al, 2015). Knowledge management has become a fashionable term in organizations today. We can define knowledge management as the discipline that promotes an integrated approach to identifying, capturing, retrieving, sharing, and evaluating an enterprises information assets. These information assets may include databases, documents, policies, and procedures as well as uncaptured, tacit expertise and experience resident in individual workers. (Lengnick-Hall and Lengnick-Hall, 2014).

Knowledge management in the operational dimension is a process which means a creation of formal knowledge and quiet knowledge and then processing, gathering, protecting and practically applying it in order to achieve the defined aims. Knowledge management in the strategic dimension is an art of creating an organization based on knowledge and open to it, integrating the usage of knowledge, strategy of a company, people, organizational culture and technology around an effective usage of knowledge. Knowledge management understood in this way is a solid basis for creating a system of knowledge management in the organization which is adjusted to its specificity and implemented in practice ensures an effective usage of the possessed knowledge and other resources of the company. While analyzing the definitions of knowledge management it can be noticed that they pay attention mainly to the necessity of the following activities (Jaroslaw, 2015) :

1. Treating knowledge resources as an important resource both for the strategic activities, for the long-term ones and for daily activities within the whole organization,
2. Identification of knowledge resources,
3. Creating an environment favorable to knowledge creation e.g. by motivating employees and creating the patterns which encourage to generate new solutions

In the current context, where change is the main factor affecting evolution at the most varied levels, the greatest challenge organizations face is in their capacity to create, improve and manage new knowledge as a valuable asset. As stated by Akhavan et al. (2013), successful organizations will be the ones that are able to improve and develop their knowledge. This implies thinking of people as creators and holders of knowledge, with potential and competences that should be directed and collectively organized, besides reorienting management practices according to the demands of the emerging knowledge society. Therefore, people take on increasing importance (Figueiredo et al, 2016). There are several roles that can be

played by HR in developing knowledge management system (Lengnick-Hall and Lengnick-Hall, 2014): First, HR should help the organization articulate the purpose of the knowledge management system. Investing in a knowledge management initiative without a clear sense of purpose is like investing in an expensive camera that has far more capabilities than you need to take good pictures of family and friends. Too often, organizations embrace technologies to solve problems before they've even identified the problems they are trying to solve. Then, once they realize the error, they find it difficult to abandon the original solution and difficult to gather the resources needed to invest in a solution to the real problem. Effectively framing the knowledge management issue, before deciding on a course of action, is a crucial prerequisite for success.

Second, as a knowledge facilitator, HRM must ensure alignment among an organization's mission, statement of ethics, and policies: These should all be directed toward creating an environment of sharing and using knowledge with full understanding of the competitive consequences. Furthermore, HRM must nourish a culture that embraces getting the right information to the right people at the right time.

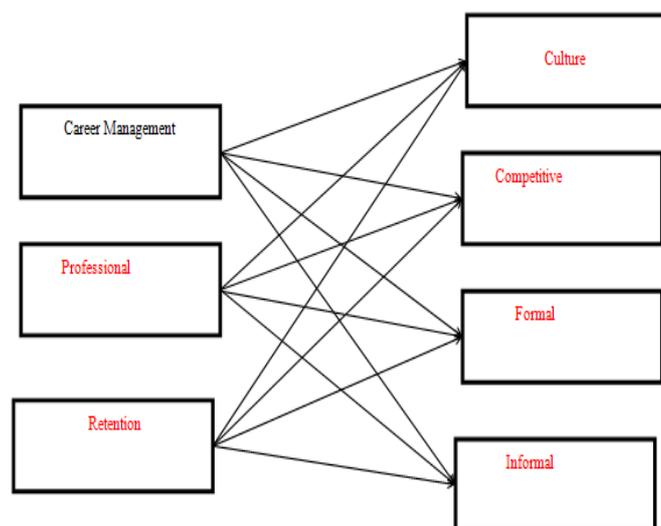
Third, HRM should also create the "ultimate employee experience." That is, by transforming tacit knowledge into explicit knowledge through education, organizations must build employee skills, competencies, and careers, creating "bench strength." This combines the traditional training and development responsibilities of HRM with the new responsibilities of human capital steward: using all of the organization's resources to create strategic capability. Disney's new staff orientation, which emphasizes the firm's mission, values, and history within a context of the "magic kingdom" experience, is an example of this process of making tacit knowledge more visible. The evidence of human resource management systems evolving from managing fundamental routine tasks such as recruiting, record keeping, rewards and wages to more advanced functions such as

employee training systems, performance appraisals, profit-sharing plans, employment security has been witnessed in the last several decades. The use of the Internet technology and the emerging concept of business intelligence and knowledge management makes the ways in which information systems are used and information is processed for human resource management dramatically improved over the last decade. (Zhang et al, 2012). The study of the association between these variables is a clear indicator of the present tendency of not thinking of KM and carrying it out independently from a set of strategic organizational policies, with clear efforts to create systems and processes that support activities for potentiating knowledge, anchored in strategy and integrated in the organization's core operations. HRM must be analysed as a factor potentially influencing KM implementation. KM's effectiveness will often depend on HR organizational management processes and on the quality of (organization, people and knowledge) management's strategic alignment. Despite giving prominence to a strategic and integrated understanding of HRM, the literature often highlights in the relationship with KM the contributions coming from specific processes. Monteiro and Pais (2014) give theoretical and empirical evidence for scientific analysis of HRM as a conditioning factor of KM. For Minbaeva et al. (2009) mechanisms for recruitment, selection, placement and retention are fundamental aspects of the construction and maintenance of organizational knowledge stock. In the same way, human resource practices such as training, work design, feedback on performance, career development and others contribute instrumentally to improving the knowledge flow, i.e., acquisition, transfer and its integration in the organization. According to Santana et al. (2009), it is possible to consider that some processes will have a special role in capacities, others will be more relevant in the field of motivations and a third group will be relevant in terms of opportunities Human resource management (HRM) has been an important theme

in management and business research for the past few decades due to its potential to affect a range of organizationally and individually desired outcomes. Strait forward definitions of human resource management are difficult to find. Nickels, et al (2008: 288) defines HRM as “The process of determining human resource needs and then recruiting, selecting, developing, evaluating, compensating, and scheduling employees to achieve organizational goals”. Ferris et al. (1995) gave a very exhaustive definition of HRM as follows: “Human resource management is the science and the practice that deal with the nature of the employment relationship and all of the decisions, actions, and issues that relate to that relationship”. Armstrong (2000) defines HRM as strategic personnel management emphasizing the acquisition, organization and motivation of human resources. Human resource management (HRM) is defined as the productive use of people in achieving the organization’s strategic business objectives . Mondy (2010) pointed that HRM practices deployed by organizations are staffing i.e. HR planning, recruitment and selection; HR development i.e. training, development and career planning and development; compensation i.e. direct and indirect financial compensation and nonfinancial compensation; safety and health; and employee and labor relations. Certainly, KM practitioners cannot afford to ignore the value that can be gained from HRM. After all, people are the sole originators of knowledge . Human capital, with their knowledge, expertise, and skills, is a valuable resource of firms. Knowledge management is a task performed by human resource management professionals to effectively manage knowledge for the benefit of the organization. As stated by Davenport and Volpel (2001), “managing knowledge is managing people; managing people is managing knowledge”. Although a substantial amount of research (Fleetwood & Hesketh, 2006; Gubbins & Garavan, 2005; Parise, 2007; Henard & Mcfayden, 2008; Hendrichson, 2003; Schein, 2004; Ulrich & Beatty, 2001) has been conducted

in the area of human resource management and knowledge management. The study of the relationship of HRM with KM activities has not been studied in any greater depth. In this theoretical framework of strategic analysis of HRM’s impact on KM, the concept of best practices emerges, based on the supposition that the influence of HRM organizational processes, with organic configuration, may be positive/facilitating of KM application, and there could be “best ways” to manage human resources, and that service firms adopting them will be more successful, here in terms of KM application, than those who do not. Best practices, in a broad sense, appear in the literature as high-performance work systems (HPWS), and although open to criticism for neglecting to some extent the effects of context (Brewster, 2007; Martin-Alcazar et al., 2005, 2012; Wright and Brewster, 2003), they have gained relevance in contemporary positioning with regard to HRM. Authors such as Theriou and Chatzoglou (2008) define best practices as a set of all HRM practices and policies that lead to effective improvement of organizational performance. In their opinion, the best and most referred to practices are: high levels of group work; remuneration associated with performance; de-centralized decision-making process; intelligent recruitment and selection processes; limited differences in status; extensive training; procedures/agreements for internal communication and collaborator involvement; internal career opportunities; and generic description of functions in no great detail. These have to do with: valuing collaborators’ competences, skills and knowledge through effective recruitment and training; motivation setting out from a strong incentive system; and promoting opportunities for the most highly qualified and motivated collaborators, contributing to increasing their levels of knowledge and competence through (re)designing work and indirect forms of participation. With a growing body of literature linking HR systems and systems of highperformance work

practices to organizational performance outcomes. with a view to the Content of expression and the effect of human resource management, on the management knowledge, By using the following model will be discussed to examine the relationship between human resource management and knowledge management activities.



**Figure 1.** Research conceptual framework

Based on the literature review, we assume that HRM practices can form a determinant of organizational processes related to knowledge. In this context, we define as the central research question empirical support for the (conceptually defined) relationship according to which the perspective configuring the HRM practices implemented in an organization has an impact on how KM processes operate therein.

Figure 1 demonstrates the conceptual framework of human resource management practices relationship with knowledge management Implementation. and indicates that human resource management practices positively relate to Knowledge Centered-Culture, Competitive Orientation, Formal Practices and Informal Practices. Therefore the hypotheses to be developed as follows: **H1:** Career Management have a significant positive impact on knowledge management Implementation **H2:** Training have a significant positive impact on knowledge management Implementation

**H3:** Retention have a significant positive impact on knowledge management implementation

### 3- Methodology

This study was made in Sepah Bank Iran, This bank is divided into four large geographical areas. In this study, we examined the Sepah Bank branches are stationed in Tehran. Total population in this study, have been approximately 1,500 people. According to Morgan table were selected, 300 randomly as the subjects. To be sure, 350 questionnaires was distributed and after one week, 300 questionnaires suitable was considered for the analysis. Non-experimental cross-sectional research design was implemented, based on data of a quantitative nature (Anastas and MacDonald, 1994; Robson, 2002). Data were therefore collected through the survey method, resorting to the technique of the self administered questionnaire. All the procedures adopted in this empirical study aimed to respect all the ethical assumptions of an empirical study, ensuring maximum confidentiality. The data were analysed using version 22.0 of the SPSS and Partial Least Square (Structural Equation Modeling) programmes. We used the following scales (see Appendix 1) for data collection: human resource management practices (HRMP), specifically the sub-scales career management perspectives, professional training and retention; and KM. In this study, we used the questionnaires Figueiredo and et al (2016).

### 4- Analysis of research data and findings

#### Confirming validity of the outer model (measurement model):

To evaluate the model, at first outer model has been used to measure latent variables relations with measurement items of them. Outer model has been used to show latent variables have been correctly measured. A model will be homogeneous if absolute value of factor loadings for each corresponding observable variable is at least 0.5. (Hulland, 1999; Neupane, 2014) based on measured model results listed in Table (1, in Appendix) load factor observed in all cases has value slightly larger than 0.5 that shows there is a

suitable correlation between observable variables and their corresponding latent variables. As well as on the results of the measurement model, value of boot Astrapyng (statistic t) in all cases is greater than the critical value of 1.96 shows that the there is a significant correlation between observable variables with their corresponding latent variables. Thus, It can be concluded any latent variable has been properly measured by its obvious variables can be tested the research hypotheses with regard to the findings of this scale. Cronbach's alpha is greater than 0.7 for all the

**Convergent validity:**

As well as, the convergent validity has been calculated. The average variance extracted (AVE)

and composite validity (CR) is calculated for convergent validity.

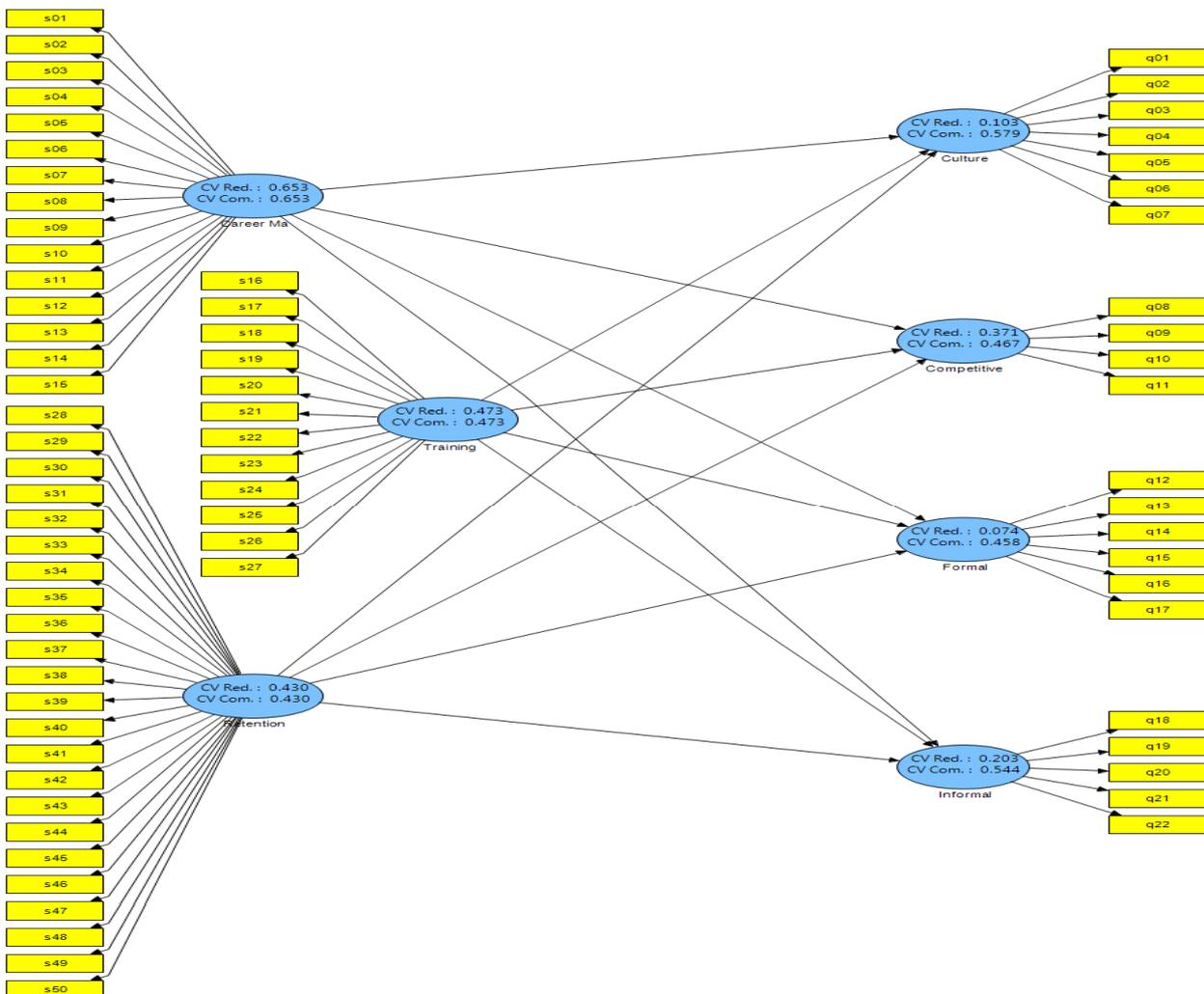
Should be established the following relationship:

**Table 2.** Quality Criteria

	AVE	Composite Reliability	Cronbachs Alpha
Career Ma	0.701401	0.972262	0.969126
Competitive	0.684848	0.896731	0.846929
Culture	0.690085	0.939516	0.924557
Formal	0.616123	0.905633	0.877355
Informal	0.697979	0.920100	0.890720
Retention	0.467859	0.952524	0.947595
Training	0.560441	0.938019	0.927938

**Investigating the indexes of model fitting:**

Check the validity including share credit index and redundancy credit index or redundancy has been used to evaluate the quality or validity of the model.

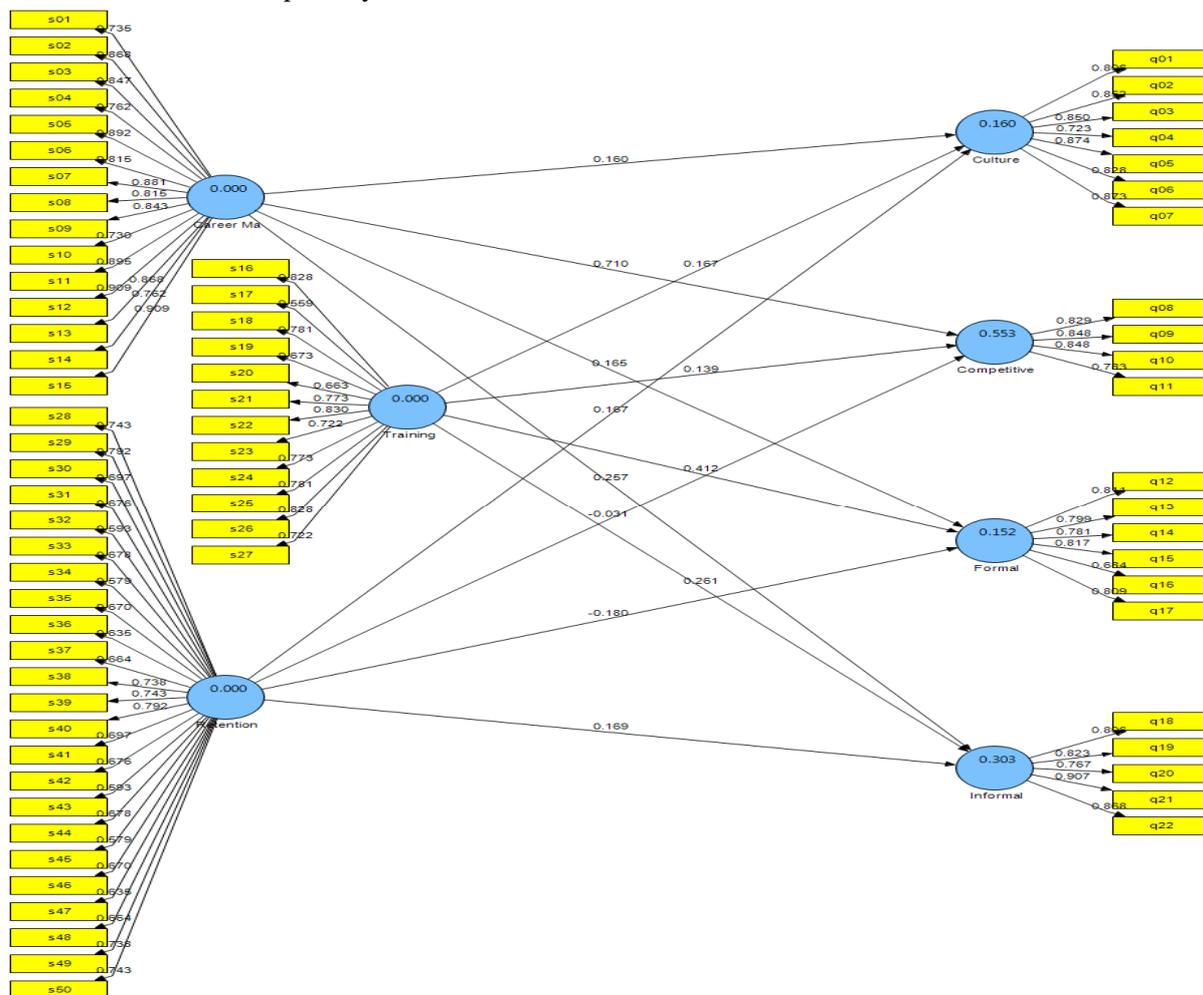


**Figure 2.** The research model fitting indices

**Table 6.** Model fitting indices

Variables	CV Com	CV Red
Career Ma	0.653211	0.653211
Competitive	0.467242	0.370507
Culture	0.579229	0.102856
Formal	0.457903	0.074208
Informal	0.543929	0.203213
Retention	0.429503	0.429503
Training	0.47347	0.47347

In Table 6, values of each of indexes related to the dependent and independent variables has been presented. As can be seen indexes are positive and greater than zero. It can be said that the model has acceptable quality and reliability. Examined variables in each of the research hypotheses have been tested based on the causal structure by partial least squares PLS technique. In general research model that has been drawn in Figure 2-4 measurement model (the relationship of each of the observable variables to latent variable) and path model (latent variables relations with each other) has been calculated. T-statistical is also calculated to assess the significance of relationships by boot Astrapyng technique that has been presented in Figure 4-3. In this model that is output of Smart PLS software summary of results related to loading factor of relationship of research variables has been presented. Test research questions have been also provided based on each variable separately.



**Figure 2.** Partial least squares model

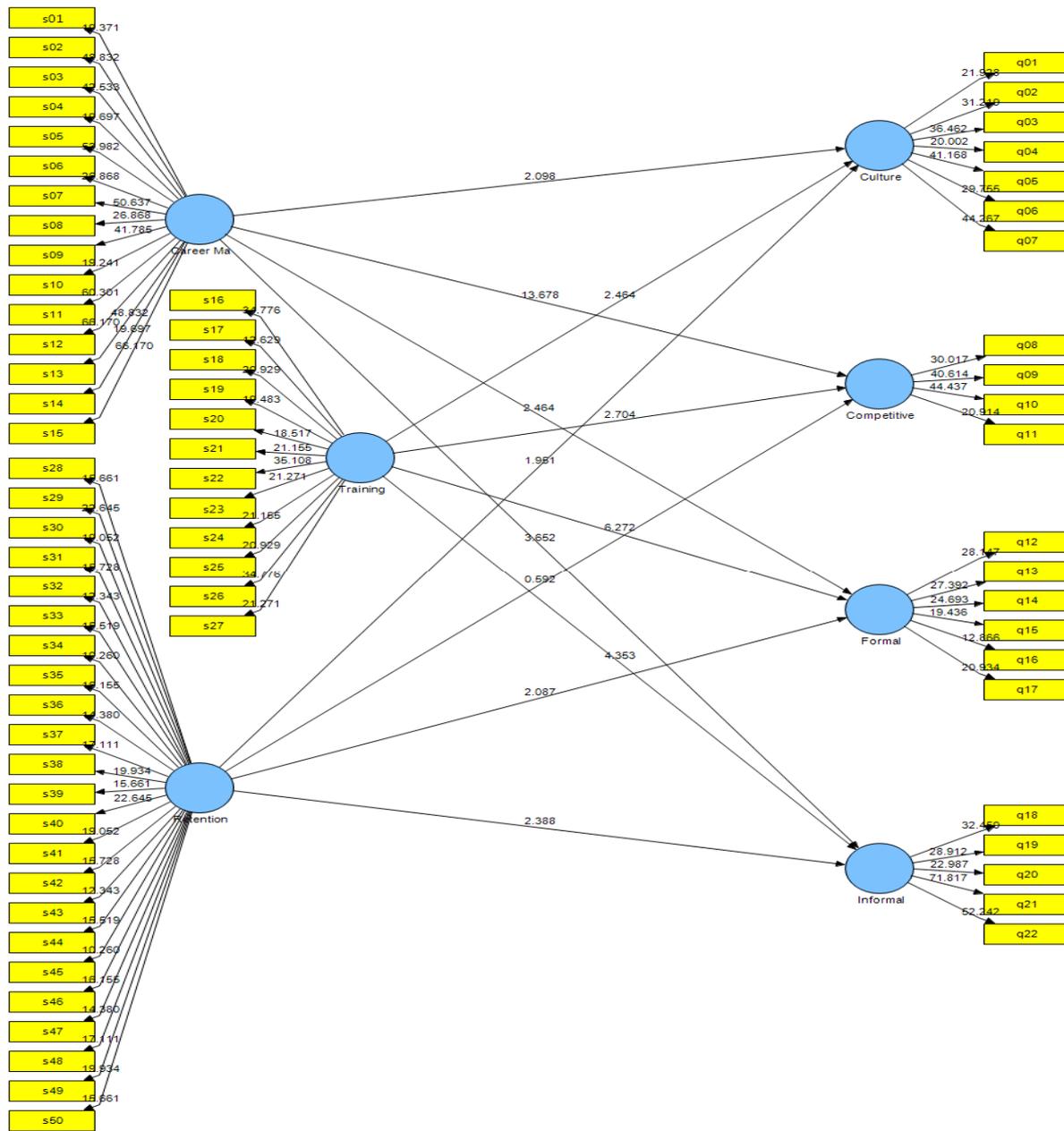


Figure 3. (t-value) bootstrapping technique

**H1: Career Management have a significant positive impact on knowledge management Implementation**

1. Impact of Career Management on the Culture has been calculated equal to 0.160 and probability statistics of test has also obtained equal to 2.098 that is greater than the critical value of t in error level of 5% means it is 1.96 and shows the correlation observed is significant so

with confidence of 95% Career Management has a significant positive impact on Culture.

2. Impact of Career Management on the Competitive has been calculated equal to 0.710 and probability statistics of test has also obtained equal to 13.675 that is greater than the critical value of t in error level of 5% means it is 1.96 and shows the correlation observed is significant so with confidence of 95% Career Management has a significant positive impact on Competitive.

3. Impact of Career Management on the Formal has been calculated equal to 0.164 and probability statistics of test has also obtained equal to 2.463 that is greater than the critical value of  $t$  in error level of 5% means it is 1.96 and shows the correlation observed is significant so with confidence of 95% Career Management has a significant positive impact on Formal.

4. Impact of Career Management on the Informal has been calculated equal to 0.257 and probability statistics of test has also obtained equal to 3.651 that is greater than the critical value of  $t$  in error level of 5% means it is 1.96 and shows the correlation observed is significant so with confidence of 95% Career Management has a significant positive impact on Informal.

A total of four above cases can be concluded that the Career Management has positive and significant effect on knowledge management practices and first hypothesis is confirmed.

#### **H2: Training have a significant positive impact on knowledge management Implementation**

1. Impact of Professional Training on the Culture has been calculated equal to 0.176 and probability statistics of test has also obtained equal to 2.464 that is greater than the critical value of  $t$  in error level of 5% means it is 1.96 and shows the correlation observed is significant so with confidence of 95% Professional Training has a significant positive impact on Culture.

2. Impact of Professional Training on the Competitive has been calculated equal to 0.139 and probability statistics of test has also obtained equal to 2.703 that is greater than the critical value of  $t$  in error level of 5% means it is 1.96 and shows the correlation observed is significant so with confidence of 95% Professional Training has a significant positive impact on Competitive.

3. Impact of Professional Training on the Formal has been calculated equal to 0.411 and probability statistics of test has also obtained equal to 6.272 that is greater than the critical value of  $t$  in error level of 5% means it is 1.96

and shows the correlation observed is significant so with confidence of 95% Professional Training has a significant positive impact on Formal.

4. Impact of Professional Training on the Informal has been calculated equal to 0.411 and probability statistics of test has also obtained equal to 6.272 that is greater than the critical value of  $t$  in error level of 5% means it is 1.96 and shows the correlation observed is significant so with confidence of 95% Professional Training has a significant positive impact on Informal.

A total of four above cases can be concluded that the Professional Training has positive and significant effect on knowledge management practices and second hypothesis is confirmed.

#### **H3: Retention have a significant positive impact on knowledge management implementation**

1. Impact of Retention on the Culture has been calculated equal to 0.176 and probability statistics of test has also obtained equal to 1.951 that is greater than the critical value of  $t$  in error level of 5% means it is 1.96 and shows the correlation observed is not significant so with confidence of 95% Retention has not a significant positive impact on Culture.

2. Impact of Retention on the Competitive has been calculated equal to -0.030 and probability statistics of test has also obtained equal to 0.591 that is greater than the critical value of  $t$  in error level of 5% means it is 1.96 and shows the correlation observed is significant so with confidence of 95% Retention has a significant positive impact on Competitive.

3. Impact of Retention on the Formal has been calculated equal to -0.180 and probability statistics of test has also obtained equal to 2.086 that is greater than the critical value of  $t$  in error level of 5% means it is 1.96 and shows the correlation observed is significant so with confidence of 95% Retention has a significant positive impact on Formal.

4. Impact of Retention on the Informal has been calculated equal to 0.169 and probability statistics of test has also obtained equal to 2.387 that is greater than the critical value of  $t$  in error level of 5% means it is 1.96 and shows the correlation observed is significant so with confidence of 95% Retention has a significant positive impact on Informal.

According to the results, it can be seen . Human resource management can be effective the application of knowledge management. In this context the researchers have achieved different conclusions. for example Yahya and Goh (2002) say that the connection between HRM and KM is so deep that we can consider KM as an evolved form of HRM, as through the use of information technology it supports human interactions and collaborative processes. According to the authors, in this relationship, HRM is responsible for monitoring tasks, measuring and intervening in the construction, incorporation, spread and use of knowledge by collaborators. Svetlik and Stavrou-Costea (2007) also justify this relationship, defending the idea that HRM concerns effective people management and if people are the most valuable resource in knowledge, then HRM and KM are intimately inter related. Figueiredo et al (2016) shown the predictive capacity of the HRM practices regarding knowledge management (KM) processes, revealing a strong direct relationship between the two constructs. It stands out that the people management practices adopted from an organic and valued perspective possess a particular and distinctive capacity to predict and impact positively on KM processes.

#### 5- CONCLUSION

The terms 'human resource management' (HRM) and 'human resources' (HR) have largely replaced the term 'personnel management' as a description of the processes involved in managing people in organizations. Human Resource (HR) management deals with the design of formal systems in an organization to ensure the effective and efficient use of human talent to accomplish

organizational goals. In an organization, the management of human resources means that they must be recruited, compensated, trained, and developed. In recent years, the meaning of the term knowledge management has been debated, defined, and redefined repeatedly. In general knowledge management can be taken as the tools, techniques, and strategies to retain, analyze, organize, improve, and share business expertise. Human resource management can make an important contribution to knowledge management simply because knowledge is shared between people; it is not just a matter of capturing explicit knowledge through the use of information technology. From this point of view the role of human resource management is to ensure that the organization has the intellectual capital it needs. Results showed that the hypothesis that Career Management have a significant positive impact on knowledge management Implementation. Training have a significant positive impact on knowledge management Implementation. Retention dont have a significant positive impact on knowledge management implementation.

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