

**HUMAN RESOURCE MANAGEMENT (HRM) PRACTICES AND KNOWLEDGE
SHARING (KS) : A CASE OF ORANGE TELECOMMUNICATION COMPANY IN
JORDAN**

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MASTER OF HUMAN RESOURECE MANAGEMNET

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**HUMAN RESOURCE MANAGEMENT (HRM) PRACTICES AND KNOWLEDGE
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A Thesis submitted to the Othman Yeop Abdullah Graduate School of Business in partial
fulfilment of the requirement for the degree of Master of Human Resource Management

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ABSTRACT

Previous studies have documented the impact of HRM practices on knowledge management. Also, it has been found that HRM practices play a significant role in knowledge management. However, it is argued in this thesis that very limited number of studies have been conducted on the relationship between HRM practices and knowledge management especially in knowledge sharing in the perspective of developing countries in general, so this study aimed at investigating whether HRM practice have a positive impact on knowledge sharing in one of telecommunication company called Orange located in Jordan.

To this end, 86 respondents working in orange telecommunication company located in Jordan were selected to participate in the study. Knowledge sharing was measured by the 7-item developed by Hsu (2008). HRM practices was measured by the 19-items This instrument have 7 items to measure training & development, 7 items to measure performance appraisal and 5 items to measure the compensation. The instrument for HRM practices was measured by using the 5-item questionnaire developed by (Singh, 2004 & Qureshi M Tahir, 2006).

The findings revealed that HRM practices were statistically and significantly related to overall knowledge management. Training & development was found to be the best predictor of knowledge sharing. The limitations of this study and the recommendations for future research are also discussed.

Keywords: HRM practices, training and development, performance appraisal compensation, knowledge management, Knowledge sharing, ORANGE telecommunication company

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CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND OF THE STUDY

In business nowadays, knowledge consists of knowing about people, money, flexibility, learning, leverage, power and competitive advantage. Drucker (1993) argued that “Knowledge has grow to be the key economic resource and the main and perhaps even the only –source of competitive advantage”. This indicated two concepts - knowledge as an economic resource and knowledge as a source of competitive advantage made significant impact on the traditional management methods and demanded a paradigm shift. Knowledge is more related to sustained business than capital land or labour. However, it is still the most neglected asset. It is more than justified true believe and essential for action, performance and adoption, knowledge provides the capability to respond to novel circumstance. Most organizations known that knowledge is a source of competitive advantage and a major factors in knowledge- based economy.

Knowledge is becoming more and more important to recognize improvements to the business processes based on several researches and study. Knowledge management (KM) is also necessary to respond effectively to an increasingly competitive environment. Organizations are searching how to leverage knowledge assets and create more value (Lin, Su, & Chien, 2006).

The implementation of KM by organizations has started the interests of academicians and researchers. Many issues are being studied and examined, such as KM implementation, knowledge diffusion, KM structure, KM performance framework, and HRM strategy in KM. Roberson and Hammersley (2000) indicated that the initial stages of these studies tend to relate KM with information technology, which was perceived as the main driver for KM. Nevertheless, technology is not the only requirement of KM. What is more significant is the knowledge created by human beings (Civi, 2000). This idea is also supported by other researchers and academicians such as Davenport and Prusak (1998), Mintzberg (1989), Filius, de Jong, and Roelofs (2000), Quinn (1992), Soliman and Spooner (2000), and Robertson and Hammersley (2000).

Human resource management (HRM) is managing people effectively at work. Since a firm's human resources are an important element in the organization to sustain their competitive advantage, managing them well helps create rarely competencies that differentiate services and products and, in turn, this link, basically, facilitates successful corporate performance drive competitiveness (Ivancevich, 2003; Cappelli & Crocker-Hefter, 1996).

Soliman and Spooner (2000) viewed the role of HRM in managing human resource knowledge as an identifier of knowledge gap(s) and facilitator in filling the gap(s), apart from mapping out the human resource knowledge.

1.2 PROBLEM STATEMENT

Knowledge management (KM) has become a popular subject for research in recent business environment and the need for examining factors that may hinder or support KM processes is rapidly growing (Al-adaileh, 2011). Therefore, several amounts of

studies concerning KM topic and specialised KM journals has become available and still emerging (Al-adaileh, 2011).

A number of studies have explored Knowledge Management (KM) concepts and practices (e.g. White 2005; Lin & Tseng 2005; Shaw & Edwards 2005; Raub & Wittich 2004; Benbya et al 2004; Yang & Wan 2004; KPMG 2003; Liao 2003; Nonaka 1994). Nevertheless, the concept of KM is relatively still a new concept within the perspective of Arab countries where few studies have explored KM issues within this context (Alali et al 2006; Hassan & Alsae'd 2005; Obaisat 2005).

However, knowledge sharing as a part from KM is a test of human nature (Cabrera & Cabrera, 2002), French and Raven (1959) and accessing knowledge from colleagues and unknown others can be difficult (Constant, Sproull & Kiesler, 1996). As a result, knowledge sharing within organizations very often is not successful and organizational performance is not improved (Hsu, 2006). Husted and Michailova (2002) indicated the need for more empirical study to encourage and facilitate systematic knowledge sharing. Despite the growing interest in organizational knowledge sharing, Choi and Lee (2003) found that empirical research on performance implications of knowledge sharing practices has not been sufficient and is called for.

Further, although human resource management practices is one of the key success of organizational knowledge sharing practices, little researches had examined this relationship (Bartlett & Ghoshal, 2002). Scarbrough and Carter (2000) argued that there is a gap in understanding the relationship between HRM practices and the successful of knowledge sharing in the organizations.

Almahamid Almahamid, McAdams, and Kalaldehy (2010) argued that while knowledge sharing practices have received extensive examination in developed countries; it has received much less attention in developing countries, such as Jordan. Successful knowledge sharing practices in western countries are not necessarily the same as those in developing countries as the cultural issues and religion dogmas are totally different.

Thus, this study attempts to fill the gap that exists in the relationship between HRM practices (training and development, compensation and performance appraisal) and knowledge management especially in knowledge sharing in one of telecommunication companies in Jordan.

1.3 RESEARCH OBJECTIVES

This study attempts to explain the relationship between HRM practices (training & development, compensation and performance appraisal) and knowledge management (KM). In dealing with this issue, this study is aimed towards:

- 1- Examine the relationship between training & development and knowledge management.
- 2- Identify the relationship between compensation and knowledge management.
- 3- Investigate the relationship between performance appraisal and knowledge management.
- 4- To identify which among the three independent variables explain the most knowledge management?

1.4 RESEARCH QUESTIONS

In achieving the above objectives, this study will initially be guided by the following questions:

- 1- Does training and development affect knowledge management?
- 2- Does compensation affect knowledge management?
- 3- Does performance appraisal affect knowledge management?
- 4- Which among the three independent variables explain the most knowledge management?

1.5 SIGNIFICANCE OF THE STUDY

- This research and its findings are considered important to provide insight into the various HRM practices needed to successfully improve KM in the organizations.
- This study proposes to fill the gap on the relationship between HRM practices and knowledge management especially in knowledge sharing process.
- From a practical perspective, the findings of this study will be useful for top management and HRM managers and practitioners to design their HRM practices within organizational level in order to improve the knowledge management.
- The findings should provide insight as to how employees might be effectively motivated by implementing HRM practices to improve knowledge sharing in the organization. In addition understanding the relationship between HRM practices and knowledge management might

help employers to know better about what the factors that help the organizations to achieve their goals and improve their performance.

- Finally, it also can add to the existing literature of knowledge management and can be used as one of the references or guidance for future research as well as enriching the literature in human resource management.

1.6 SCOPE OF THE STUDY

This study is limited to identifying variables within the human resource management practices that may affect knowledge sharing. These include training & development, compensation and performance appraisal. The setting for the study is a Multinational telecommunication company in Jordan, namely ORANGE.

1.7 DEFINITION OF KEY TERMS

1.7.1 Human Resource Management (HRM)

HRM is the process of managing human talent to achieve an organization's objectives, and have the capability to lead to organizational performance; they all have the knowledge to make a difference of how organizations perform (Snell & Bohlender, 2007)

1.7.2 Human Resource Management Practices

HRM practices Refers to organizational activities directed toward managing the human resources and ensuring that the resources is uses to achieving the organizational goals (Schuler & Jackson, 1987; Schuler & MacMillan, 1984; Wright & Snell, 1991). These practices include; staffing, performance appraisal, training and development, compensation management (Huang, 2000).

1.7.2.1 Training and Development

Training and development can be defined as the process of providing employees with specific skills or helping them to correct deficiencies in their performance (Poh, 2001).

1.7.2.2 Compensation Management

The extent to which pay and rewards are fairly offered, employee benefits, position of a firm's pay relative to the pay of its competitors, firm's effort to maintain external equity, and the extent of compensation in line with organizational and job requirements (Ghebreorgis & Karsten, 2006).

1.7.2.3 Performance Appraisal

Performance appraisal is defined as evaluating employees how well do their jobs according to performance standards (Dessler, 2000; 321). While Brown and Heywood (2005) defined 'Performance appraisal is a formalized process of worker monitoring and is intended to be a management tool to improve the performance and productivity of workers'.

1.7.3 Knowledge Management

Any process or practice of creating, acquiring, capturing, sharing and using knowledge, wherever it resides, to enhance learning and performance in organizations (Swan, Newell, Scarbrough, & Hislop, 1999).

1.8 ORGANIZATION OF THE REMAINING CHAPTERS

Apart from Chapter 1, there are four other chapters. Chapter 2 reviews the available literature on HRM practices and its relationship with knowledge management (knowledge sharing), the literature review on the variable of HRM practices (Training & development, compensation and performance appraisal) and its impact on the knowledge management (knowledge sharing). Chapter 3 provides the details of the methodology issues. This section focuses on the measurement of each variable. Validity and Reliability issues of survey instruments are discussed. Discussion on data collection procedures and statistical analyses are presented in the section as well. Chapter 4 then examines the research framework and presents the results of the statistical analyses. Lastly Chapter 5 gives a brief summary of the study as well as the implications of the findings for the HRM practices and its relation with knowledge management. Some recommendations are also made for would-be researchers.

CHAPTER 2

LITRETURE REVIEW

2.1 INTRODUCTION

This chapter discusses and summarizes the literature on all variables under study. The literature is arranged according to dependent variables and independent variables, and the relationship between the two variables. The first part of this chapter discusses dependent variable which is the knowledge management. The second part gives literature review about HRM practices in general. The third part discusses the relationship between dependent variable and each independent variable.

2.2 KNOWLDGE MANAGEMENT

The popularity of KM has increased rapidly, particularly after 1996, and it has become a major topic of management philosophy and a management tool. This popularity is reflected in the growing number of books and articles on the topic. In 1995 there were 45 articles about knowledge management in the ABI/Information database, 158 in 1998, and in 2002 the number has increased to 835 (Edvardsson, 2003; Petersen & Poulfelt 2002). Specific journals have even been established. In 1997, the Journal of Knowledge Management and Knowledge and Process Management were introduced, and the Journal of Intellectual Capital was introduced in 2000 (Petersen & Poulfelt 2002). Many companies have also introduced knowledge management programmes. A recent KPMG survey of 423 leading European and American companies found that 68 per cent of respondents were undertaking some

kind of KM imitative (KPMG, 2000). Another quite recent UK survey found that 64 per cent of the responding firms had introduced KM and 24 per cent were at the introduction stage (Moffett, McAdam & Parkinson, 2003).

There is no agreed definition of Knowledge Management, even among practitioners. One reason for this lack of agreement stems from the fact that people working in the KM field come from a wide range of disciplines, such as psychology, management science, organizational science, sociology, strategy, production engineering and so on. Most definitions are, nevertheless, similar on one point as they take a very practical approach to knowledge, i.e. how knowledge can contribute to organisational effectiveness (Hlupic, Pouloudi, & Rzevski, 2002). In most cases the term is used loosely to refer to a broad collection of organizational practices and approaches related to generating, capturing, disseminating knowledge relevant to the organisation's business (World Bank, 1998).

Alavi and Leidner (1999) describe KM as an organized and systemic process for acquiring, organizing and exchanging knowledge among employees to effectively utilize knowledge. Additionally, Parikh (2001) clarifies that KM needs to view all organization activities as a process of producing knowledge to transport the firm into a learning organization. According to Gottschalk (2002), KM can be described as a technique to improve and shorten the process of implementing sharing, distributing, creating and comprehending the knowledge of the organization.

Miltiadis, Pouloudi and Poulymenakou (2002) depict KM as a structure based on past experience and build a new mechanism for exchanging and generating new knowledge. Moreover, Albers and Brewer (2003) portray KM as a process which contains creation, acquisition, incorporation, allocation, and application of knowledge

to advance the operation efficiency and competitive advantage of an organization. KM presents the precise information to the exact group at the correct time.

Kim, Lim, and Mitchell (2004) defined KM as the methodical means of administrating this valuable resource, by promoting an incorporated approach to identifying, capturing, structuring, organizing, retrieving, sharing, and evaluating an enterprise's knowledge assets. Goh (2005) describes KM as a methodical leveraging of data, information, proficiency and different structures of assets and resources to enhance organizational innovation, reaction, efficiency and capability. It represents the significant issues of organizational procedures, through the exercise of suitable technologies to connect dissimilar kinds of knowledge assets.

Finally, in this research the definition by Swan, Newell, Scarbrough, and Hislop (1999) was utilized where to define KM as any process or practice of creating, acquiring, capturing, sharing and using knowledge, wherever it resides, to enhance learning and performance in organizations.

2.2.1 THE ROLE OF KNOWLEDGE MANAGEMNT IN THE ORGANIZATION

Organizations these days are adopting and implementing KM in their business processes. The main purpose of KM is to manage the essential knowledge that adds value to organization business. KM comprises a set of activities intended at designing and influencing processes of knowledge has become the most dominant new organization practice (Kautz & Mahnke, 2003). Furthermore, knowledge currently is regarded as one of the critical resources of modern organization (Moczydlowska, 2007). In fact, throughout the global economy, unstable changes and strong competitive market, knowledge played a main role in establishing the organizations position on the market, opportunities for development and capital growth as a result (Moczydlowska, 2007).

Furthermore, as products and processes increase in their complexity and the pressure to maintain and create competitive advantage through fast and constant innovation, current companies replying on efficient management of the knowledge developed through their research and activities (Parikh, 2001). Managing knowledge inside the organizations has grown to be more and more critical since numerous organizations' activities are knowledge-driven (Sunassee & Sewry, 2002).

In the contemporary environment of most organizations, knowledge occupies the center spot of the business and is considered a strategic resource. Moreover, knowledge becomes increasingly important in terms of management of the enterprise, which leads to having KM used comprehensively in practice of enterprise management (Li, 2008). Additionally, an effective KM is influenced by two kinds of

knowledge capability: infrastructure and process which both needed to be deployed to maintain organizational competitiveness (Gold, Malhotra, & Segars, 2001).

2.3 KNOWLEDGE SHARING

Knowledge sharing involves the transfer or dissemination of knowledge from one person, or group to another. Organizational knowledge sharing connects organizational members with external knowledge sources (Garvin, 1993). Organizational members benefit from networking with external knowledge sources for new information, expertise, and ideas that may not be obtained inside the organization (Hamel & Prahalad, 1993; Wasko & Faraj, 2005). Organizational innovation can be derived from knowledge exchange and learning from network connections across organizational boundaries (Nooteboom, 2000). Further, organizational knowledge sharing helps pass down idiosyncratic, competency-enhancing knowledge from the organization to individuals or from one individual to another. For example, in a community of practice, collective problem diagnosis and resolution improves interpersonal relationships and knowledge sharing (Wenger & Snyder, 2000). The immediate benefit is the enhancement of the task effectiveness (Sabherwal & Bercerra-Fernandez, 2003) and innovativeness of individuals (Calantone, Cavusgil, & Zhao, 2002). As Quinn, Anderson and Finkelstein (1996, p. 8) put it, as one shares knowledge with other units, not only do those units gain information (linear growth); they share it with others and feedback questions, amplifications, and modifications that add further value for the original sender, creating exponential total growth. Thus, organizational knowledge sharing is an important way to develop organizational human capital.

Knowledge sharing can be the backbone of organizational learning and bring enormous benefits to an organization (Argote, 1999; Garvin, 1993; Liebowitz & Chen, 2001). However, employee knowledge sharing can be difficult because of the costs perceived by the knowledge contributor. Two types of costs are discussed in the literature (Kankanhalli, Tan, & Wei, 2005). First, tacit knowledge has to be codified or articulated before it can be transferred to others (Nonaka & Takeuchi, 1995). Knowledge codification and transfer takes time and resources. Second, in an organizational context, the knowledge contributor can be seen as forgoing potential rewards for performing alternative tasks in order to engage in knowledge sharing. There is opportunity costs associated with knowledge sharing (Molm, 1997). Thus, employee knowledge sharing should be facilitated if the costs associated with it can be justified or reduced.

2.4 HUMAN RESOURCE MANAGEMENT

In the last ten to fifteen years the term human resource management (HRM) has been commonly used. But before that, the term of HRM was generally known as “personnel management”. Dessler (2003) said that there is no differentiation between HRM and personnel management, but HRM is a modern term to expand version of traditional personnel management due to continue change in the work environment. Guest (1997) suggested that HRM is not as an alternate to personnel management but it is a type of personnel management which focusing on the strategic issues of employee commitment, quality, flexibility and integration. Beer et al. (1984) viewed HRM as including all management practices that affect the relationship between the organization and employees as human resources.

Human resource management (HRM) is managing effectively the people at work, since a human resource is the most important factor for the organization to sustained competitive advantage, managing them effectively will help to create a unique competencies that differentiate products and services (Ivancevich, 2003; Cappelli & Crocker-Hefter, 1996). Human resource management (HRM) consist of policies and practices involved in carrying out the 'human resource(HR)' aspects of a management position including human resource planning, job analysis, recruitment, selection, orientation, compensation, performance appraisal, training and development, and labour relations (Dessler, 2007). that influence employees' behaviour, attitude, and performance (Noe, Hollenbeck, Gerhart, & Wright, 2003).

HRM develops the employee's knowledge and skills, and therefore, contributes to improve the productivity in the organization (Becker, Gerhart, 1996; Gelade, Ivery, 1996). For example recruitment hires capable employees for organizational objectives. In training Employees can get company-specific knowledge (Huselid, et al., 1997). In addition, training improves specialization of employees in their work, and therefore, increases employee engagement and job satisfaction with decisions of managerial (Gelade, Ivery, 2003). Performance appraisal helps company to align compensation with employees' performance (Hayton, 2003). Because incentive compensation system encourages employees to reach organization goals (Huselid, et al., 1997). Performance-based compensation reflects employee efforts and work with wages they obtain. Therefore, performance-base payment connects efforts and work to organization's operational goals. Thus, pay for performance reduces absenteeism (Harel, Tzafrir, 1999, 287).

HRM is supposing to impact on knowledge, skills, and abilities (Schuler & Jackson, 1995), behaviour and attitudes of employees (Guest, 1997). So when HRM within an organization is effective, the employees know what is expected of them, which make them act with more cooperation and have same focus about their work and behaviour (Baron & Kreps, 1999) which lead to influence on the organization performance (Den Hartog, Boselie, & Paauwe, 2004)

To conclude, HRM increases organization productivity, employee job satisfaction, work-orientation, goal commitment through HRM practices such as training, recruitment, compensation, performance evaluation, promotion; which help the organization to increase its performance.

2.5 THE RELATIONSHIP BETWEEN HRM PRACTICES AND KNOWLEDGE MANAGEMENT

Human capital, with their knowledge, expertise, and skills, is a valuable resource of firms (Lado & Wilson, 1994; Delery & Doty, 1996; Wright et al., 2001; Collins & Clark, 2003). Organizations that effectively manage and leverage the knowledge and expertise embedded in individual minds will be able to create more value and achieve superior competitive advantage (Ruggles, 1998; Scarbrough, 2003). However, employees are often unwilling or unable to share their knowledge and expertise with others because of self interests and lack of trust (Currie & Kerrin, 2003; Hayes & Walsham, 2000; Mueller & Dyerson, 1999; Davenport & Prusak, 1998). Accordingly, it is important for firms to harness the involvement and participation of employees through knowledge management. Knowledge flow cannot exist without a human

factor. This notion is strengthened by a number of authors arguing that KM is actually developed from human resource management (Yahya & Goh, 2002; Soliman & Spooner, 2000; Bhatt, 2001). As Scarborough (2003) states KM has important implications when managing human resources, especially knowledge sharing. HR practices are the primary approaches to elicit and reinforce employees' knowledge and expertise that a firm requires (Martinsons, 1995; Youndt et al., 1996; Collins & Clark, 2003). Since people are carriers of much of organization-specific knowledge and expertise, firms may be best to utilize HR work practices to manage knowledge and expertise (Scarborough & Carter, 2000; Lave & Wenger, 1991).

A lot of researches focus on the role and function of HRM in managing knowledge. The analysis is more general on how HRM can contribute to identification and application of knowledge in order to reach company objectives. For instance, Soliman and Spooner (2000) discuss about knowledge gaps and the function of HR department in this process however preciseness and practicality of this process is lacking. The authors state that HRM should play an important role in monitoring, measuring and intervening in construction, embodiment, dissemination and use of knowledge. Nevertheless, in this process specificity is lacking. A number of other authors link the function of HRM to KM with the purpose of sharing knowledge (Hislop, 2002) and how employees should be willing to bring tacit knowledge into explicit. But the analysis lacks understanding that tacit knowledge might be embedded in the minds of employees without realizing it. Considering the notion of Hansen, Nohria & Tierney (1999) focusing on organization strategy to plan KM activities is vital. Hence, understanding what kind of knowledge can be valuable for the organization (e.g. tacit vs. explicit) and what KM channels are essential to serve for the strategy (e.g. knowledge creation) HRM strategies can be aligned accordingly. In other words KM

can be driving force and guiding principles for HRM strategies. Alignment of these strategies can be realized through effective implementation of HR practices.

Some HRM practices, such as staffing, training, participation, performance evaluation, and incentive compensation, are related to enhancing commitment, lowering turnover, and increasing performance through their impact on employee development and motivation (Huselid, 1995; Becker & Gerhart, 1996; Guthrie, 2001). Firms can use these HRM practices to provide employees with the skills, resources, and discretion that they need to develop knowledge management. Thus, previous studies argue that HRM practices are key enabling elements for firms to increase their capacity in deploying and facilitating knowledge management tools and activities in addition, it can directly influence employee's capability to perform by impacting their knowledge, skills and ability (KSA) (Lopez-Cabrales, Perez- Luno & Cabrera, 2009).

An effective staffing system can help firms in selecting and allocating competent and qualified workforce to do the required tasks. Acquiring employees with particular knowledge and expertise is crucial for firms to operate knowledge management tools and activities. Those newly recruited employees are likely to do the effective sharing of knowledge if they are able to take the broader perspective and appropriate attitude (Currie & Kerrin, 2003). Moreover, it is also important for firms to select the employees who can integrate effectively for development of knowledge management capacity. Selection of individuals with appropriate skills and attitudes to do the tasks enables firms to integrate knowledge from diverse sources and stimulate innovative idea generation (Martinsons, 1995; Scarbrough, 2003).

Employee training can play an important role in bridging the gaps between what an organization knows and what an organization must know (Soliman & Spooner, 2000). Employee training is also likely to affect the development of knowledge management capacity. Continuous professional development is particularly important to knowledge workers. Providing the training and development on company vision and mission has proved to direct KM activities to the right destination, serving the objectives of an organization (Yahya & Goh, 2002). Firms need to offer internal and external training opportunities to develop and nurture required knowledge and expertise of employees (Jaw & Liu, 2003; Brockbank, 1999; Nonaka & Takeuchi, 1995). Exposure to diverse training programs could foster employees to learn new knowledge and expertise, broaden their insight, and equip them with innovative minds and skills (Nonaka & Takeuchi, 1995). Such training programs would stimulate employees to share their expertise and experience, acquire new knowledge, and utilize what they learn subsequently in the work. Accordingly training programs are crucial for employees in the knowledge management process (Argote et al., 2003; Von Krogh, 1998).

Training can also develop interpersonal skills and teamwork abilities in order to facilitate communication of employees within teams to create and share knowledge together (Lopez-Cabrales, Perez-Luno & Cabrera, 2009). Working in teams during the training with employees with different competencies can stimulate sharing of skills and knowledge. Proper training can directly influence the capability of employees to transform tacit knowledge into explicit and share it within organization. For instance, utilizing specific techniques during developmental programs such as observation, simulation and experimentation can strongly strengthen knowledge creation possibilities in the organization. Participation, another HR practice, may attract employees to positively involve and contribute in knowledge.

Performance appraisals are one of the primary HRM practices that firms can use to reinforce employees' behaviours and induce them to comply with organizational goals (Collins & Clark, 2003; Scarbrough, 2003). In terms of performance appraisal, if firms want to elicit desired behaviours from employees, they must provide feedback and incentives that reinforce the desired behaviours (Collins & Clark, 2003). Employees are unlikely to do knowledge management activities, especially sharing of knowledge, as the divergent objectives set out for them in their performance agreements (Currie & Kerrin, 2003). Evaluating how employees used knowledge assets in a firm during performance reviews can encourage employees to actively acquire knowledge from codified sources (Hansen, Nohria & Tierney, 1999). Accordingly, if firms set up the unified appraisal criteria to link employees' performance with their involvements in sharing and applying knowledge in the work, it would motivate employees to work on knowledge management activities.

Performance appraisal can also stimulate communication between an employee and supervisor and ensure that the target goals are achieved. During 360 degree appraisal it can be a two way process, on the one hand providing internal (employees) and external (customers) feedback (Yahya & Goh, 2002); on the other hand, acquiring feedback from an employee being evaluated. This feedback will help to first, understand what knowledge reservoir the organization has in order to try to keep it if required and second, to know what skills the organization lacks (Guzzo, Jette & Katzell, 1985) so that they are acquired through KM activities.

Performance appraisal systems can inhibit knowledge sharing, as much of the conflict between different functions can be due to the divergent objectives set out for employees in the

performance agreements. The objectives are, moreover, often short-term and mostly measurable in nature. The opposite is the case in long-term developmental focus on performance appraisal found in many knowledge intensive companies (Currie & Kerrin, 2003; Swartz & Kinnie, 2003). In addition Gloet and Berrell (2003) emphasise that the KM strategies see effort, measurement and rewards differently. As a result, within the codification strategy, efforts associated with systems and technologies are more likely to be recognised and rewarded. Inside such a paradigm, key performance is related to technology, technology application and the volume of data. The personalisation paradigm focuses more on people, where key performance indicators are related to people and tacit forms of knowledge as well as the quality of data.

Compensation should reward creativity, risk-taking attitude, and problem-solving ability in order to promote knowledge diffusion and sharing (Argote et al., 2003; Von Krogh, 1998). According to Robertson and Hammersley (2000) they argue that compensation systems can be important predictors of knowledge sharing. Individuals may put more efforts into knowledge management activities if compensation systems reward the contribution to acquisition and exchange of knowledge (Scarbrough, 2003; Collins & Clark, 2003; Von Krogh, 1998). According to the above reasoning, HR practices are helpful to motivate employees' willingness to acquire, share, and apply knowledge within organizations. Appropriate HR practices can support and promote the development of organizational environment conducive to knowledge management activities. Thus, the expectation is that HR practices would influence knowledge management capacity positively.

Previous studies have argued lately that knowledge is dependent on persons and that HRM issues, such as recruitment and selection, education and development, performance management, pay and reward, as well as the creation of a learning

culture are vital for managing knowledge within firms (Evans 2003; Carter & Scarbrough 2001; Currie & Kerrin 2003; Hunter et al 2002; Robertson & Hammersley 2000)

Armstrong (2000) suggests that the role of HR in the circumstance of learning organizations or KM is “to facilitate the dissemination of learning through workshops, projects and conferences and, later, to take responsibility for co-ordinating the preparation of business plans which incorporated the outcome of the learning activities”. Soliman and Spooner (2000) viewed the role of HRM in managing human resource knowledge as an identifier of knowledge gap(s) and facilitator in filling the gap(s), apart from mapping out the human resource knowledge. They have outlined the HRM roles in eight strategies of human resource knowledge management. These eight strategies are:

1. Alignment of knowledge management with business directions,
2. Identification of the benefits of knowledge management efforts,
3. Choosing the appropriate knowledge management programme,
4. Implementing a know-how strategy,
5. Creating supportive environments for knowledge management programmes,
6. Using of enabling technologies for the knowledge management programme,
7. Creating the knowledge management team, and
8. Creating knowledge management leadership.

According to Salleh Yahya and Lailawati they examined five areas of human resource management and its ability to accommodate the implementation of knowledge management in Malaysian context. The five areas are (1) recruitment and selection, (2) training, (3) performance appraisal system, (4) reward and compensation system, and (5) retrenchment. The results suggest that the HRM practices play as a vital role in implementing the knowledge management successfully.

Currie and Kerrin (2003) use case study approach to explore the influence of “human resource management practices”, including performance appraisal, recruitment and selection, employee interaction, and training and development, on enhancing knowledge sharing within a company. They suggest that HR practices can improve knowledge sharing in the firm with a functionally based organizational structure and culture.

Further the study which conducted by Ivan Svetlik & Eleni Stavrou-Costea, (2007), they demonstrate the benefits of using an integrative approach between human resource management (HRM) and knowledge management (KM), where one reinforces and supports the other in enhancing organisational effectiveness and performance. In their study they found a positive relationship between the HRM practice and Knowledge management.

Similarly, Marianne Gloet, (2006) conducted study to explore linkages between knowledge management (KM) and human resource management (HRM) as a means of developing leadership and management capabilities to support sustainability. And he found that developing individual and organisational capabilities to support sustainability occurred through KM and HRM practices linked.

So HRM practices have been found to be an efficient means of increasing the uniqueness of knowledge (Lepak & Snell, 1999; 2002). Communication mechanisms, exchange programs, group-based rewards, appraisals and the like may be established to facilitate information sharing and to equip the members of these groups with knowledge that is very firm specific (Lepak et al., 2003). According to Svetlik and Starvrou-Costea (2007), if HRM is about managing people effectively, and if people's most valuable resource is knowledge, then HRM and KM are closely interrelated.

2.6 CONCLUSION

This chapter had presented a review of literature that focused on the relationship between HRM practices and knowledge management. The following chapter describes in the detail the procedures and methodology that were used for data collection and analysis in this study.

CHAPTER 3

RESEARCH METHODOLOGY

3.1 INTRODUCTION

From the previous academic literature and study done by the HR expert, a number of drivers have been recognized that could determine the knowledge sharing in the organization. The primary objective of this study is to examine the relationships between HRM practices which include training & development, compensation and performance appraisal and knowledge management (knowledge sharing) . Thus, this chapter revealed the methods used to study these relationships. This chapter outlines the research design, the sources of data, unit of analysis, the population frame, the sample and sampling technique, the measurement, the collection and administration of data and finally the technique of analyzing data.

3.2 RESEARCH FRAMEWORK

Based on the literature review and research problem, the following research framework has been developed. This model focuses on the impact of HRM practices on the knowledge sharing in one of the telecommunication company in Jordan, Orange. The independent variables are the predictors to knowledge sharing namely training & development, compensation and performance appraisal. On the other hand, knowledge sharing is the dependent variable.

3.2.1 Independent Variable

Independent variable, as it is the variable manipulated by the researcher, thereby causing an effect or change on the dependent variable (Cooper and Schindler 2008). In this study, the researcher selects the following as independent variables: (1) training & development; (2) compensation (3) performance appraisal.

3.2.2 Dependent Variable

According to Cooper and Schindler (2008) the dependent variable is a measured, predicted, or otherwise monitored by the researcher; expected to be affected by a manipulation of the independent variable. In this research, the researcher chooses knowledge sharing as the dependent variable. The framework of the study has been depicted as in Figure 3.1.

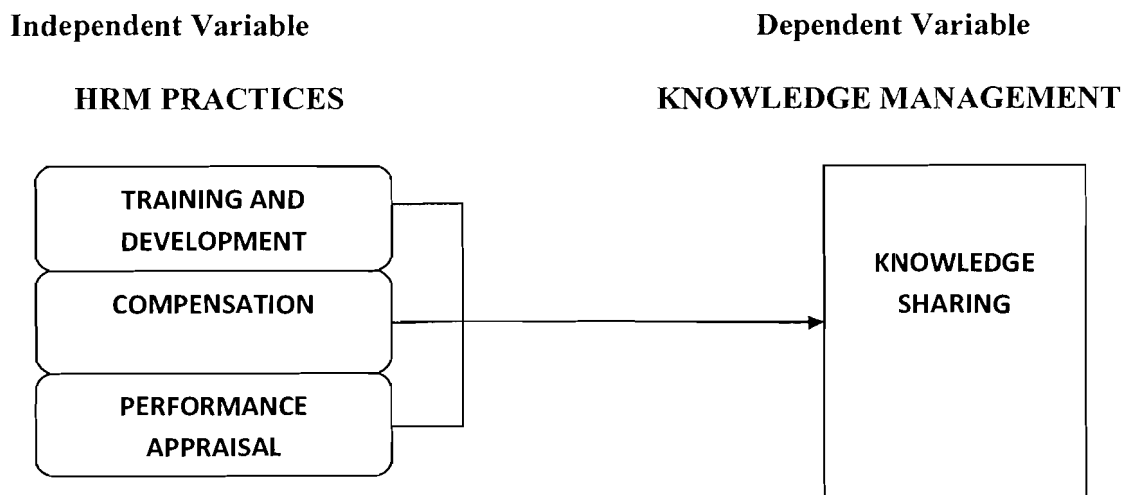


Figure 3.1: Research Framework

3.3 HYPHOTHESES

According to Cooper and Schindler (2008) hypothesis is a proposition formulated for empirical testing; a tentative descriptive statement that describes the relationship between two or more variables. An important role of the hypothesis is to suggest variables to be included in the research design. The null hypothesis (H_0) and the alternative hypothesis (H_A) (Cooper & Schindler 2008)

According to Cooper and Schindler (2008), the null hypothesis (H_0) is an assumption that no difference exists between the sample parameter and the population statistic, while the alternative hypothesis (H_A) is an assumption that a difference exists between the sample parameter and the population statistic to which it is compared; it is the logical opposite of the null hypothesis used in significance testing.

The hypotheses of this study are:

H1: There is a positive relationship between training, development and knowledge sharing

H2: There is a positive relationship between compensation and knowledge sharing.

H3: There is a positive relationship between performance appraisal and knowledge sharing.

3.4 RESEARCH DESIGN

This study is a correlation study rather than a causal one. It is not trying to establish a definitive cause and effect relationship (Tabachnick & Fidell, 1996). This type of study would identify factors that were causing the problem. Instead, the study was conducted with the aim of delineating the important variables that are associated with the problem (Tabachnick & Fidell, 1996). In This study data were gathered through the means of questionnaire, perhaps over a period of days or weeks or months, in order to answer a research questions. Such study is called one-shot or cross- sectional studies. In this study, data on the independent variables and the dependent variable were collected from the group of managers and supervisors in Orange Company in Jordan through questionnaires.

3.5 SOURCES OF DATA

Primary data and secondary data were used in this study.

3.5.1 Primary Data

According to Uma Sekaran (2000), primary data is information that first obtained by the researcher on the variables of interest for the specific purpose of study. To obtain the information, researcher has distributed a set of questionnaires to the exempt staff in ORANGE Telecommunication Company in Jordan.

3.5.2 Secondary Data

Secondary data refer to the information gathered by someone than the researcher conducting the current study such as company record, publication, industry analysis offered by the media, web publications and so on (Sekaran, 2000). It is less time consuming and cheap to obtain the secondary data as it is already prepared by other experts. The secondary data is to get more information that could support the primary data, strengthen the information and also assist the researcher to interpret the primary data correctly. At times, secondary data can also give an insight to the researcher on the subject matters from difference perspective.

For this study, researcher gathered the secondary data from Orange company website, annual reports and articles. The secondary data consists of both internal and external data sources. External Sources: Journals, articles, books while internal sources such as orange company intranet and website.

3.6 SAMPLING FRAME

The sample frame for this study consisted of and limited to the employees in *Orange Company in Jordan*. The participants of this study were the supervisory level employees of all departments. Their primary responsibilities consisted of playing mediating roles between the managerial and lower workers duties, the employees that sometime perform the lower workers duties and perform the managerial duties in the same time; the connection between the top and lower level. As a result, they would be the representatives for the top managers and lower level employees since they perform combinations duties.

3.6.1 Sample Size

This study was conducted in Orange telecommunication Company in Jordan. The information provided by the General Manager of Human Resource of Orange Company is illustrated in Table 3.1. Accordingly, the total populations for this company were approximately 1656 employees at all levels. Out of this number, a total number of supervisors level are 110 employees. Otherwise, the researcher will limit the study for only supervisory level in this company. According to Sekaran (2000), which has provided generalized scientific guidelines for sample size, the sample size for population size (P) 110 is (S) 86.

Table 3.1:

Total number of employee's orange telecommunication company in Jordan.

Organization name	Workers (Lower employees)	Supervisors	Managers	Top Management	Total number of employees
Orange telecommunication company	1476	110	50	20	1656

3.7 UNIT ANALYSIS

The unit of analysis is the supervisory staff in orange company. 86 respondents has been selected from various departments

3.8 DATA COLLECTION METHOD

Data was collected using a structured questionnaire. The questionnaire was distributed to 86 supervisor in Orange Company in Jordan. Data was collected in one shot.

3.9 MEASUREMENT

The instrument for the study would be the questionnaire to sought information on HRM practices and knowledge sharing in *Orange Company which located in Jordan*. The questionnaire was adapted and modified to suite the context of employees in *orange company*.

Table 3.9.1 Measurement Items

Variable	Items	Scales	Sources
Training & development	7	Five-point Likert scale	Singh, 2004 & Qureshi M Tahir, 2006
compensation	5	Five-point Likert scale	Singh, 2004 & Qureshi M Tahir, 2006
Performance appraisal	7	Five-point Likert	Singh, 2004 & Qureshi M

		scale	Tahir, 2006
Knowledge sharing	7	Five-point Likert scale	Hsu (2008)

A five-pages close-ended questionnaire was developed to gather information about knowledge sharing which is dependent variable, training & development , compensation and performance appraisal as a independent variable The questionnaire is divided into five sections, namely section A, B, C,D and E.

Section A indicates the respondent of the demographic variables. Such the position of the organization, gender, age, qualification; Section B: knowledge sharing; Section C Training and development; Section D: compensation, and Section E: performance appraisal.

All items questions were tapped on Likert scale designated instrument using Likert scale with score from 1 to 5 (Sekaran, 2003). For the scale used in this study, 1=Strongly Disagree; 2= Disagree; 3= Neither Agree or Disagree; 4=Agree; and 5=Strongly Agree.

The actual questionnaire in Appendix A.

3.10 DATA ANALYSIS TECHNIQUES

After collecting the information from the questionnaires, a few procedures has been done such as checking the data for accuracy, key in the data into the computer, and transforming and coding the data, developing and documenting a database structure.

The questions were being coded to enable for analysis using Statistical Packages for the Social Science (SPSS). The following statistical techniques were employed during the analysis process: Descriptive analysis; Reliability analysis; Correlation analysis; multiple regressions.

According to Malhorta (1999), the objective of frequency distribution is to obtain a count of number of responses associated with different values of one variable and to express these counts into percentage terms. By doing this, the researcher can determine the variables that include in the questionnaire such as the frequency of a respondent profile.

On the other hand, reliability analysis is an indication for the stability and consistency with which the instrument measures the concept and helps to access the goodness of measures. In Cronbach's Alpha reliability analysis, the closer Cronbach's Alpha to 1.0, the higher the internal consistency reliability. (Cronbach's Alpha; Cronbach, 1946). Cronbach measures;

1. Reliability less than 0.6 considered poor.
2. Reliability in the range 0.7 is considered to be acceptable.
3. Reliability more than 0.8 are considered to be good

While correlation test was conducted to test whether we should accept or reject the hypothesis. If the observation value is greater than the critical value, then the decision rule of the hypothesis testing is to accept the alternative hypothesis (H_A). The important role of the hypothesis is to suggest variables to be included in the research design. The analysis was done by using Pearson Correlation Coefficient.

Pearson Correlation Coefficient is a statistical procedure for analyzing associative relationships between a metric dependent variable and one or more independent variables. For this research, the relationship between knowledge sharing in orange telecommunication company in Jordan as dependent variable with training and development, compensation and performance appraisal as the independent variables.

The scale model suggested by Davies (1971) used to describe the relationship between the independent variables and the dependent variable, are as shown below:

1. 0.7 and above – very strong relationship,
2. 0.50 to 0.69 – strong relationship,
3. 0.30 to 0.49 – moderate relationship,
4. 0.10 to 0.29 – low relationships and
5. 0.01 to 0.09 – very low relationship.

And finally multiple regression tested in this research in order to investigate the relationship between the independent variables which were HRM practices included in this study (training & development, compensation and performance appraisal) with the dependent variable which was Knowledge management (Knowledge sharing).

3.11 CONCLUSION

This chapter discussed the research method proposed for this study by presenting the theoretical framework and research hypothesis. Aside to that, it also includes the discussion of sampling design, data collection, questionnaire, measurement and data analysis.

CHAPTER 4

FINDINGS

4.1 INTRODUCTION

This chapter outlines the results of data analysis obtained from data collected from respondents. The main purpose of this study is to examine the effects of human resource management (HRM) practices which include in this study (performance appraisal, training & development and compensation) on knowledge management especially in knowledge sharing. This study aims to achieve the research objectives as well as answers the research questions highlighted in chapter one. In addition, this study intends to verify the hypotheses listed in chapter three.

This chapter is divided into eight parts which includes; overview of data collected, profile of respondents, goodness of measure, descriptive analysis, major findings, summary of findings, and conclusion.

4.2 OVERVIEW OF DATA COLLECTED

4.2.1 Response Rate

A total of 86 sets of questionnaires were distributed to respondents and fortunately 100% were returned to researcher.

4.3 RESPONDENTS' PROFILE

The survey demonstrated the details concerning demographic characteristics or respondents' profile as shown in Table 4.1.

Table 4.1**Respondents Profile**

Demographic	Categories	Frequency	Percentage (%)
Age Group	20-25 years old	13	15.1
	26-30 years old	8	9.3
	31-35 years old	12	14.5
	36-40 years old	14	16.7
	41-45 years old	16	18.6
	46-50 years old	19	22.1
	51-56 years old	3	3.5
	Above 56	1	1.2
Gender	Male	66	76.7
	Female	20	23.3
Education	Diploma	18	20.9
	Bachelor	38	44.2
	Master	24	27.9
	PHD	6	7.0
Years of Experience	1-3 years	15	17.4
	4-6 years	9	10.5
	7-9 years	11	12.8
	10-12 years	14	16.3
	13-15 years	20	23.3
	16-19 years	17	19.8
	1-3 years	30	34.9

years of experience in	4-6 years	20	23.3
this organization	7-9 years	20	20.3
	10-12 years	15	17.4
	13-15 years	1	1.2

Majority of the respondents were male (76.7 %) while the remaining of 23.3% of were female. In terms of education, 44.2 percent of the respondent had bachelor degree, followed by 27.9 % master, 20.9% for the diploma and 7 % PHD holders. In terms of age 22.1 percent fall under age category of 46-50 years old, followed by the age group category of 41-45 years old (18.6%), 16.3 % for the category of 36-40 years old, 15.1 for the category of 20-25 years old, 14 % for the category of 31-35 , 9.3 % for the category of 26-30 , 3.5% for the category of 51-55 and the remaining group above 56 made up the rest. For work experience, 23.3 percent of respondents have 13-15 years of work experience followed by 16-19 years of experience (19.8%), 1-3 years of experience (17.4%), 10-12 years of experience 16.3 %, 7-9 years of experience (12.8 %), and finally 4-6 years of experience 10.5%. In terms of years of experience in the current organization, 34.9% percent of the respondents had 1-3 years of experience, followed by both 4-6, 7-9 years of experience (23.3%), 17.4% percent had experience of 10-12 years, and only 1.2 percent had experience of 13-15 years.

4.4 RELIABILITY ANALYSIS

According to George and Mallery (2003), reliability is the degree to which measure are free from error and therefore yield consistent results. According to Sekaran (2003), the closer the reliability coefficient gets to 1.0, the better it is, and those

values over .80 are considered as good. Those value in the .70 is considered as acceptable and those reliability value less than .60 is considered to be poor (Sekaran, 2003).

Table 4.2

Reliability Analysis

Variables	No. of Items	Cronbach's Alpha
Knowledge sharing	7	.685
Performance appraisal :	7	.734
Training and development	7	.817
Compensation	5	.749

Table 4.2 shows the Cronbach's Alpha value for dependent variable and independent variables. The Cronbach's Alpha values range from .685 to .817, which are considered good and acceptable. Cronbach Alpha value for Knowledge sharing (.685), performance appraisal (.734), training and development (.817), and compensation (.749).

4.5 DESCRIPTIVE ANALYSIS

Descriptive analysis which includes the mean and standard deviation for the independent and dependent variables are attained and recorded in Table 4.3.

Table 4.3**Descriptive Statistics of Variables**

Variables	Mean	Std. Deviation
Knowledge sharing	4.3023	.33622
Performance appraisal	3.7591	.40894
Training & development	3.5897	.40453
Compensation	3.6419	.49193

All variables were evaluated based on a 5-point scale. From Table 4.3, the results show that the mean values for the dependent variable, knowledge sharing and independent variable which are, performance appraisal, training & development and compensation all above moderate. The mean value for the dependent variable, knowledge sharing (M=4.3023), and for the parts of the in independent variables, performance appraisal (M=3.7591), training & development (M=3.5897), and compensation (M=3.6419). In addition, the standard deviation, which is another measure of dispersion for interval and ratio scale data, offers an index of the spread of a distribution or the variability in the data. The standard deviation, in conjunction with the mean, is a very useful tool because of the flowing statistical rules, in a normal distribution (Sekaran, 2003):

The above table shows the standard deviation for knowledge sharing which is (0.3362), and for each of the independent variables, performance appraisal (.40894), training & development (.40453) and compensation (.49193).

4.6 MAJOR FINDINGS

The results of Pearson Correlation Analysis and Hierarchical Multiple Regression are presented in the following section.

4.6.1 Pearson Correlation Coefficient

According to Sekaran (2003), in research project that includes several variables, beyond knowing the means and standard deviations of the dependent and independent variables, the researcher would often like to know how one variable is related to another. Interco relations analysis indicates the nature, direction and significance of the vicariate relationship of the variables used in the study.

Theoretically, there could be a perfect positive correlation between two variables, which is represented by 1.0 (plus 1), or a perfect negative correlation which would - 1.0 (minus 1). While correlation could range between -1.0 and +1.0, the researcher need to know if any correlation found between two variables is significant or not (i.e.; if it has occurred solely by chance or if there is a high probability of its actual existence). As for the information, a significance of $p=0.05$ is the generally accepted conventional level in social sciences research. This indicates that 95 times out of 100, the researcher can be sure that there is a true or significant correlation between the variables, and there is only a 5% chance that the relationship does not truly exist.

Davis (1997) proposed the rules of thumb that need to be used in interpreting the r -value obtained from inter correlations analysis as shown in Table 4.4 below.

Table 4.4**Interpreting the R-value for Intercorrelations**

R-value	Relationship
Above 0.70	Very strong relationship
0.50 – 0.69	Strong relationship
0.30 -0.49	Moderate relationship
0.10 - 0.29	Low relationship
0.01 – 0.09	Very low relationship

The correlation matrix between dependent variable and independent variables are exhibited in Table 4.5 below. The finding from this analysis is then compared against the hypotheses developed in this study.

Table 4.5**Pearson Intercorrelations Matrix Result**

	Knowledge sharing (1)	Performance appraisal (2)	Training and development (3)	compensation (4)
1	-	.337(**)	.591(**)	.563(**)
2		-	.689(**)	.667(**)
3			-	.937(**)
4				-

*, Correlation is significant at the 0.05 level (2- tailed) $p \leq 0.05$

**Correlation is significant at the 0.01 level (2-tailed) $p \leq 0.01$

Hypothesis Testing:

H1: There is a positive relationship between training & development and knowledge sharing.

The relationship between training and development is tested against knowledge sharing using Pearson Correlation coefficient. The results indicate that there is a positive significant relation between the variable ($r = .591$; $p < 0.01$). This indicates that training and development helps enhance the knowledge sharing behaviour in organization.

H2: There is a positive relationship between compensation and knowledge sharing.

The relationship between compensation is tested against Knowledge sharing using Pearson Correlation coefficient the result indicate that there is a positive significant relation ($r = .563$; $p < 0.01$). This indicates that compensation practices help improve knowledge sharing in organization.

H3: There is a positive relationship between performance appraisal and knowledge sharing.

The relationship between performance appraisal is tested against Knowledge sharing using Pearson Correlation coefficient the result indicate that there is a positive significant relation ($r = .337$, $p < 0.01$). This indicates that performance appraisal practices can enhance knowledge sharing in organization.

4.6.2 Multiple Regression Analysis (MRA)

A Multiple Regressions Analysis (MRA) was conducted. The Table 4.6 below shows the results of MRA.

Table 4.6
Results of Multiple Regression Analysis

Variables	Standardized Coefficients	Sig
	Beta	
Performance appraisal	-.138	.264
Training & development	.592*	.026
Compensation	.100	.696
<hr/>		
F Value	15.354	
R	.600	
R Square	.360	
Adjusted R Square	.336	

Refer to the Table 4.6, the Multiple Regression shows a substantial correlation between the independent variables and the dependent variable which Knowledge is sharing. The R-square value identifies the portion of the variance accounted for by the independent variable that is approximately .360 or in other words, 36% of the variance in the knowledge sharing is accounted for by performance appraisal, training & development and compensation. The value of adjusted R square obtained is 0.336

The results also shows that the independent variables are significantly correlated to organization commitment with coefficient alpha <.0001

The beta (β) value for performance appraisal was ($\beta=-.138$; $p>0.05$), training & development ($\beta=.592$; $p<0.01$) and for the compensation ($\beta=.100$; $p>0.05$). The model summary also show the F change value of 15.354 is significant at 0.001 levels. The results above indicate that only training and development was significantly explain knowledge sharing in organization. Performance appraisal and compensation were not significant.

4.7 SUMMARY OF FINDINGS

The summary of the analysis is exhibited in Table 4.7 below.

Table 4.7: Summary of Findings

	The Hypotheses	Decision
H1	There is a positive relationship between training & development and Knowledge sharing.	Accepted
H2	There is a positive relationship between compensation and Knowledge sharing.	Rejected
H2	There is a positive relationship between relationship between performance appraisal and knowledge sharing.	Rejected

4.8 CONCLUSION

From the above findings, correlation analysis concludes that all the three independents variables are significantly related to Knowledge sharing. However the results from multiple regression analysis indicate that only training and development was significant. This chapter had presented the findings collected from the respondents. The next chapter will discuss the recommendation and conclusion for the study.

CHAPTER 5

DISCUSSION, RECOMMENDATION, AND CONCLUSION

5.1 INTRODUCTION

In this chapter, the findings of the study will be further discussed and recommendations for future research are also suggested.

5.2 DISCUSSION

The purpose of this study was to determine whether there is any relationship between the independent variables namely HRM practices (performance appraisal, training & development and compensation) with the dependent variable knowledge management, in specific knowledge sharing in one of Jordanian telecommunication companies called ORANGE.

In the following discussion, results of each objective are reviewed and compared with previous literature.

Objective 1: Examining the relationship between training & development and knowledge management.

The positive and acceptable coefficient value between training and development and knowledge sharing suggest that training & development is one of the areas that management should look into as it is significantly related with the knowledge sharing in ORANGE Telecommunication Company. This explained that, training & development facilitate learning of knowledge, attitude, and skills among its people in

the organization to improve their current job performance and facilitate the knowledge sharing between the employees.

This finding is parallel to the research conducted by Armstrong (2000) and Nonaka and Takeuchi (1995). They found that training & development programs could foster employees to learn new knowledge and expertise, broaden their insight, and equip them with innovative minds and skills. Such training programs would stimulate employees to share their expertise and experience, acquire new knowledge, and utilize what they learn subsequently in the work.

Objective 2: Identifying the relationship between compensation and knowledge management.

The results of Pearson Correlations indicate a positive relationship between compensation and knowledge sharing, however the multiple regression analysis found no relationship between compensation and knowledge sharing.

This finding is contradict to previous findings, such the one conducted by Scarbrough (2003); Collins and Clark (2003); Von Krogh, 1998). They asserted that compensation has a positive effect on knowledge sharing where they argued that individuals may put more efforts into knowledge management activities if compensation systems reward the contribution to acquisition and exchange of knowledge. This could probably due to the inconsistency between the compensation practices in organization and the requirement for knowledge sharing. In order to encourage people to share knowledge, reward should be assigned to those who are actively sharing knowledge; otherwise people tend not to share knowledge because they do not see any clear link between compensation and knowledge sharing.

Objective 3: Examining the relationship between performance appraisal and knowledge management.

The results of Pearson Correlations indicate a positive relationship between performance appraisal and knowledge sharing, however the multiple regression analysis found no relationship between performance appraisal and knowledge sharing.

This finding is contradict with previous research findings such as the one done by Currie and Kerrin (2003) where they argued that if firms set up the unified appraisal criteria to link employees' performance with their involvements in sharing and applying knowledge in the work, it would motivate employees to work on knowledge management activities. The contradict finding could probably due to the current performance appraisal practices in organization that do not stress on a clear linkage between knowledge sharing and performance appraisal. In order enhance employees to share knowledge, organization has to make sure that performance appraisal criteria should include knowledge sharing as part of the evaluation criteria; otherwise people tend to hoard knowledge for their own sake.

Objective 4: To identify which among the three independent variables is the most important relates to employee engagement.

The results of this study indicate that training & development is the most important relates to knowledge sharing. This finding is parallel with Harter et al. (2004), Salleh Yahya and Lailawati where they examined five areas of human resource management and its ability to accommodate the implementation of knowledge management in Malaysian context. The five areas are (1) recruitment and selection, (2) training and development (3) performance appraisal system, (4) reward and compensation system, and (5) retrenchment. The results suggest that the training and development play as a vital role in implementing the knowledge management successfully.

5.3 LIMITATION OF THE STUDY

This research is restricting by several limitations. The various limitations stated as follows:

5.3.1 Time Constraint

Researcher felt that tri-semester year was too short and this could hinder thorough preparation for research.

5.3.2 Lack of Experience

This is the first time that the researcher is performing the research. The researcher does not have sufficient knowledge and experience in conducting the research. The researcher found that study on this subject is not an easy task since it requires many skills and high level of experience in all level of research.

5.4 RECOMMENDATION FOR FUTURE RESEARCH

This study had provided only a small portion of idea regarding factors needed to improve knowledge sharing within the context of ORANGE telecommunication in Jordan. Hence, it would be beneficial for future research to consider the following suggestions:

- Expand the study into other industries to enhance the consistency of results.
- Include other drivers to measure knowledge sharing so that this will increase the accuracy of understanding the drivers that could impact the organizational knowledge management

5.5 CONCLUSION

The four objectives in this study have been achieved whereby the results had shown that training & development is the most critical factor that affect and explain the most knowledge sharing behaviour in this organization. Therefore, ORANGE Telecommunication Company should pay more attention and resources in this area as it brings a great impact in enhancing knowledge sharing in ORANGE Telecommunication Company.

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APPENDIX A

QUESTIONNAIRE

Section A: Demographic Information

Age (Please Tick your age Group)

20-25	26-30	31-35	36-40	41-45	46-50	51-55	Above 56

Please Tick applicable gender

Male	Female

Education (Please Tick your Education Group)

Diploma	degree	Master	PHD

Total years of working Experience (Please Tick your Experience Group)

1-3	4-6	7-9	10-12	13-15	16-19	20 or above

Total years of Experience with this Organization (*Please Tick your Experience Group*)

1-3	4-6	7-9	10-12	13-15	16-19	20 or above

Section B: **KNOWLEDGE SHARING:** Please indicate the extent of your **agreement** with the following statements on a 5-point scale. (Please circle your

1	2	3	4	5
Strongly Disagree	Disagree	Indifferent	Agree	Strongly Agree

answer)

1. My company uses senior personnel to mentor junior employees.	1	2	3	4	5
2. My company groups employees in work teams.	1	2	3	4	5
3. lessons learned among its employees.	1	2	3	4	5
4. My company invests in IT systems that facilitate knowledge sharing.	1	2	3	4	5
5. My company develops knowledge sharing mechanisms.	1	2	3	4	5
6. My company offers incentives to encourage knowledge sharing.	1	2	3	4	5

7. My company offers a variety of training and development programs.	1	2	3	4	5
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Section c: Human Resource Management Practices. Please indicate the extent of your **agreement** with the following statement on a 5-point scale. (Please circle your answer)

1. Performance Appraisal

1	2	3	4	5
Strongly Disagree	Disagree	Indifferent	Agree	Strongly Agree

1. Performance of the employees is measured on the basis of objective quantifiable results.	1	2	3	4	5
2. Appraisal system in our organization is growth and development oriented.	1	2	3	4	5
3. Employees are provided performance based feedback and counseling.	1	2	3	4	5
4. Employees have faith in the performance appraisal system.	1	2	3	4	5
5. Appraisal system has a strong influence on individual and team behavior.	1	2	3	4	5
6. The appraisal data is used for making decisions like job rotation, training and compensation.	1	2	3	4	5
7. The objectives of the appraisal system are clear to all employees.	1	2	3	4	5

2. Training and Development

1	2	3	4	5
Strongly Disagree	Disagree	Indifferent	Agree	Strongly Agree

1. Our organization conducts extensive training programs for its employees in all aspects of quality.	1	2	3	4	5
2. Employees in each job will normally go through training programs every year.	1	2	3	4	5
3. Training needs are identified through a formal performance appraisal mechanism.	1	2	3	4	5
4. There are formal training programs to teach new employees the skills they need to perform their jobs.	1	2	3	4	5
5. New knowledge and skills are imparted to employees periodically to work in teams.	1	2	3	4	5
6. Training needs identified are realistic, useful and based on the business strategy of the organization.	1	2	3	4	5
7. My employer encourages me to extend my abilities.	1	2	3	4	5

3. Compensation

1	2	3	4	5
Strongly Disagree	Disagree	Indifferent	Agree	Strongly Agree

1. Job performance is an important factor in determining the incentive compensation of employees.	1	2	3	4	5
2. In our organization, salary and other benefits are comparable to the market.	1	2	3	4	5
3. In our organization, compensation is decided on the basis of competence or ability of the employee.	1	2	3	4	5
4. The compensation for all employees is directly linked to	1	2	3	4	5

his/her performance.					
5. In our organization, profit sharing is used as a mechanism to reward higher performance.	1	2	3	4	5

APPENDIX B

SPSS ANALYSIS

FREQUENCY

AGE

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 20-25	13	15.1	15.1	15.1
26-30	8	9.3	9.3	24.4
31-35	12	14.0	14.0	38.4
36-40	14	16.3	16.3	54.7
41-45	16	18.6	18.6	73.3
46-50	19	22.1	22.1	95.3
51-55	3	3.5	3.5	98.8
ABOVE 56	1	1.2	1.2	100.0
Total	86	100.0	100.0	

GENDER

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid male	66	76.7	76.7	76.7
female	20	23.3	23.3	100.0
Total	86	100.0	100.0	

EDUCATION

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Diploma	18	20.9	20.9	20.9
Bachelor	38	44.2	44.2	65.1
Master	24	27.9	27.9	93.0
PHD	6	7.0	7.0	100.0
Total	86	100.0	100.0	

years of experience

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1-3	15	17.4	17.4	17.4
4-6	9	10.5	10.5	27.9
7-9	11	12.8	12.8	40.7
10-12	14	16.3	16.3	57.0
13-15	20	23.3	23.3	80.2
16-19	17	19.8	19.8	100.0
Total	86	100.0	100.0	

years of experience in this organization

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1-3	30	34.9	34.9	34.9
4-6	20	23.3	23.3	58.1
7-9	20	23.3	23.3	81.4
10-12	15	17.4	17.4	98.8
13-15	1	1.2	1.2	100.0
Total	86	100.0	100.0	

KNOWLEDGE SHARING RELIABILITY

Reliability Statistics

Cronbach's Alpha	N of Items
.685	7

PERFORMANCE APPRAISAL RELIABILITY

Reliability Statistics

Cronbach's Alpha	N of Items
.734	7

TRAINING AND DEVELOPMENT RELIABILITY

Reliability Statistics

Cronbach's Alpha	N of Items
.817	7

COMPENSATION RELIABILITY

Reliability Statistics

Cronbach's Alpha	N of Items
.749	5

Mean and St.D

Statistics

	KSME	PAME	TDME	CME
N Valid	86	86	86	86
Missing	0	0	0	0
Mean	4.3023	3.7591	3.5897	3.6419
Std. Deviation	.33622	.40894	.40453	.49193

Correlation

Correlations

	KSME	PAME	TDME	CME
KSME Pearson Correlation	1	.337**	.591**	.563**
Sig. (2-tailed)		.002	.000	.000
N	86	86	86	86
PAME Pearson Correlation	.337**	1	.689**	.667**
Sig. (2-tailed)	.002		.000	.000
N	86	86	86	86
TDME Pearson Correlation	.591**	.689**	1	.937**
Sig. (2-tailed)	.000	.000		.000
N	86	86	86	86
CME Pearson Correlation	.563**	.667**	.937**	1
Sig. (2-tailed)	.000	.000	.000	
N	86	86	86	86

** . Correlation is significant at the 0.01 level (2-tailed).

Regression

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.600 ^a	.360	.336	.27392

a. Predictors: (Constant), CME, PAME, TDME

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.456	3	1.152	15.354	.000 ^a
	Residual	6.153	82	.075		
	Total	9.609	85			

a. Predictors: (Constant), CME, PAME, TDME

b. Dependent Variable: KSME

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.713	.307		8.838	.000
	PAME	-.113	.101	-.138	-1.125	.264
	TDME	.492	.217	.592	2.271	.026
	CME	.068	.173	.100	.393	.696

a. Dependent Variable: KSME