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LINKS BETWEEN PERFORMANCE APPRAISAL AND KNOWLEDGE MANAGEMENT: POTENTIALS AND EVIDENCE FROM THE MANAGEMENT CONSULTANCY SECTOR IN THE UK

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Abstract: Many scholars claim that there has been a shift in the economy from the information age to the knowledge era. This shift is represented at the firm level by the concept of knowledge management. Some academics view that the major distinction between information and knowledge management is that the latest should be inclusive of the human factor, in addition to information technology aspects. Therefore, human resource management is potentially a strong contributor to the knowledge management initiatives, and performance appraisal is one of its main practices that scholars assert to have a lot to add.

This study aims at empirically identifying the links between performance appraisal and knowledge management. The need of this research arises due to the abundance of theoretical assumptions that such links are beneficial and/or exist, yet empirical evidence to support this claim is rare and weak.

The research has been conducted through three stages; a survey, interviews and two case studies; utilizing both extensive and intensive research approaches at various stages. The context of the research is the management consultancy sector in the UK.

Although most of the participants agree that there is a lot of potential in utilizing performance appraisal to enforce knowledge management systems, there has been a lack of formal, direct, conscious and strategic connection between both. The main justification for this result is that knowledge management is seen as a set of activities rather than a system. Even though knowledge management activities, when measured, have been considered as important in the performance appraisal criteria, they have not been explicitly assessed. Participants thought that these activities are indirectly measured under other criteria such as individual performance, teamwork, collaboration and everyday organizational activities. Moreover, knowledge management activities are aimed to be embedded in the organizational culture, with rare procedures to back their enforcement.

Therefore, the study concludes that there is a lot of lost potential in increasing the awareness and execution of knowledge management activities through not directly linking performance appraisals to knowledge management. The research has claimed that empirically the situation in practice does not match the suggestions and hopes presented by some academics in the field of management.