

‘HRM in the Knowledge Economy’

Thursday 5th and Friday May 6th 2011

School of Management, Royal Holloway University of London

HRM, knowledge flows and organizational learning: validation, invalidation and emotion

Helen Shipton: Aston Business School

H.Shipton@aston.ac.uk

John Sillince: Strathclyde School of Management

John.Sillince@strath.ac.uk

Dierickx and Cool (1989) have drawn attention to the distinction between knowledge stocks and knowledge flows; the former captured in the competences of organizational personnel that drive forward the strategic agenda, the latter representing the processes whereby existing capabilities are challenged, eliciting in turn organizational learning and renewal. HRM has traditionally focused on building knowledge stocks, on the basis that value arises from co-ordinating the knowledge manifested by various employee groups. In this vein, recently, Lepak & Snell, 1999; 2002 proposed a framework for assessing where knowledge stocks reside, both within and outside the company. By contrast, knowledge flows have generally received less attention from HRM scholars, although recently Kang et al. (2007) proposed two distinctive HRM archetypes for managing knowledge flows, raising structural, affective and cognitive factors that, they suggest, set boundaries for organizational members to interact and build social relations (without which the flow of knowledge is impeded). Following March (1991), they distinguish between knowledge flows that precipitate exploratory versus exploitative learning

Although these insights are interesting and valuable, there are still a number of unanswered questions. Although the idea of HRM archetypes clarifies where attention should be directed to elicit either exploratory or exploitative learning, it remains unclear what are the actual dynamics that drive knowledge flows leading in turn to organizational learning, over and above social relations. Moreover, the focus is largely the cognitive dimensions involved (e.g. shared frames of reference) although emotions and feelings have been recognized elsewhere as powerful drivers for learning and change (e.g. Fong et al., 2006). Thus, emotions, experienced collectively, might provide the momentum for transitioning between one type of learning and another. Following construct theory (Kelly, 1955) we are interested in the emotions captured in a sense of validation (affirming feelings that the right direction is being pursued) as well as invalidation (a heightened awareness that change is required and that the direction being pursued is inappropriate).

Construct theory (Kelly, 1955) alludes to the inseparability of cognition and emotion. Kelly contended that emotions are the result of awareness of transitions in our construct systems. Anxiety, guilt, threat are what we feel when our construct systems are in the process of change (Butt, 2008). Adjusting a construct system to a point where new and different constructs can be incorporated is both an essential part of creating meaning while at the same time a major challenge (Butt, 2008). Kelly (1955) has argued that creative thought involves cycles of loosening and tightening construct systems; on the one hand, focusing in detail on questions that require in-depth analysis, while on the other broadening one's mental edifice to incorporate new and different questions.

Construct theory further highlights notions of validation and invalidation, which, we suggest, offer the emotional signals needed to elicit (collective-level) learning (defined as a process of meaning re-construal). These signals, we suggest, generate energy and momentum: invalidation raising emotions of disquiet and anxiety (where peoples' experiences of an event or episode fail to correspond with their anticipation of it) heightens the sense that change is needed, and validation, raising emotions like excitement, affirms that progress is being made in the expected direction. We suggest that knowledge flows across the organization may be influenced by both validation and invalidation as employees contemplate questions that are believed to be important in a strategic sense. Furthermore, the emotions associated with validation and invalidation are likely to be correspondingly stronger for exploratory rather than exploitative learning, since exploratory learning is by definition more risky, more likely to fail and more prone to evoke heightened emotions of joy and excitement when success is achieved.

Our theory is more emotionally-centric than extant literature, which has by and large focused on the dynamics involved in the flow of knowledge and learning from a cognitive perspective. We propose a four-quadrant model for managing knowledge flows that captures both the sense that an event or episode is familiar or unfamiliar (representing exploitative versus exploratory learning) while at the same time assessing the extent of validation or invalidation (whether peoples' experiences either confirm or disconfirm that the collectively experienced construct is appropriate). In the full paper, which is conceptual, we explore the implications of our theorizing for the design and operationalization of HRM policy and practice. This allows us to draw on data from a recent in-depth case study focused on the UK subsidiary of a major global electronics company.

References

- Butt, T. (2008). *George Kelly: The psychology of personal constructs*. Basingstoke, Palgrave Macmillan.
- Dierickx, I., & Cool, K. 1989. Asset stock accumulation and sustainability of competitive advantage. *Management Science*, 35: 1504–1513.
- Fong, C. (2006). 'The effects of emotional ambivalence on creativity. *Academy of Management Journal* 49: 1016- 1030.
- Kang, S. Morris, S. & Snell, S. (2007). Relational archetypes, organizational learning and value creation: Extending the human resource architecture' *Academy of Management Review* 36: 236- 256.
- Kelly, G. (1955). *The psychology of personal constructs*. Vols. 1 and 2. New York, Norton.
- Lepak, D. P., & Snell, S. A. 1999. The human resource architecture: Toward a theory of human capital allocation and development. *Academy of Management Review*, 24:31–48.
- Lepak, D. P., & Snell, S. A. 2002. Examining the human resource architecture: The relationship among human capital, employment, and human resource configurations. *Journal of Management*, 28: 517–543.