



## Research Article

# EMPLOYEES' PERCEPTION REGARDING THE ROLE OF SPECIFIC HRM PRACTICES IN KNOWLEDGE INTENSIVE FIRMS

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### Abstract

The purpose of this paper is to investigate the employees' perceptions about association between specific HRM practices and employees' knowledge sharing. Based on previous literature, a model is proposed for the study and hypotheses are formulated. The cross-sectional dataset comes from a sample of 390 employees of 19 Pakistani KIFs. Confirmatory factor analyses were employed to evaluate the reliability and validity of the measurement model and the research model was tested using structural equation modeling. The results suggest that specific HRM practices, for instance, recruitment and selection and reward systems show a positive relationship with knowledge sharing, as perceived by the employees of these organisations. We also found a positive relationship among individual and organisational capability in workplaces. A key finding of this study is that recruitment and selection have a much greater impact on knowledge sharing than reward systems. In this study, knowledge-sharing behaviour is examined using specific HRM practices. Findings should be confirmed using a larger sample, as well as through longitudinal study. This study will be beneficial for researchers, practitioners, scholars, organisational leaders and employees. It will also be helpful for those interested in organisational structure and relationships across organisations in knowledge context. This study makes a valuable contribution, given that there is a lack of empirical studies of this nature focusing on the South East Asian region. Our findings are more interesting given that the current study is based on employees' perception and employees' views are similar to than that of management's views in KIFs.

**Keywords:** Recruitment and selection; Reward systems; Employees' knowledge Sharing; Individual capability; organisational capability

### Introduction

Knowledge, which has been identified as an ability to act, has always been critical to human performance (Stewart 1997; Sveiby, 1997). In recent years, bureaucratic control over resources has shifted from physical resources to knowledge and skills, in knowledge intensive firms (Al-Alawi *et al.*, 2007; Prusak, 1997; Rahardja *et al.*, 2005; Thite, 2004). In knowledge-intensive organisations, human resource management (HRM) practices are one of the major antecedents of knowledge creativity through knowledge sharing. Knowledge sharing has a potential that can leverage the human capital and the provision of benefit to both individuals and organisations through improved capability (Ipe, 2003). Despite the potential here, the knowledge management (KM) literature has used the limited concepts and frameworks of HRM (Connelly *et al.*, 2012; Hislop 2003). Recent studies suggest that advancing knowledge sharing can be achieved through bridging both KM and HRM fields (Oltra, 2005).

In this paper the question considered are: How do specific HRM practices (employees' recruitment and rewards) influence employees' knowledge sharing behaviour within organisations? It is proposed that the success of any KM initiative, like knowledge sharing, requires employees' willingness to share their knowledge. This argument is also supported by Storey *et al.* (2003). However, employees have an instinct to hoard their knowledge, due to fear of losing power, authority and control (Riege, 2007). Furthermore, employees' knowledge sharing is also restricted by limitations imposed by human resource functions, like job descriptions and reward systems (Hislop, 2003; Thompson and Heron, 2005). This study is focused on also interested in a related question: Given employee perceptions of knowledge sharing, how can HRM practices change employees' behaviors by motivating them to share their expertise in their organisations.

Two decades ago, researchers suggest that HRM needs to change in order to better support KM activities (Lado and Wilson, 1994). The knowledge management literature has

explained the background of employees' knowledge sharing. However, a little is known regarding the relationship between HRM and employees' knowledge (Oltra, 2005; Riege, 2007). Several studies in various business sectors suggest that organisations need to pay attention to HRM practices to facilitate knowledge sharing behaviour (Gonzalez *et al.*, 2005). However, a number of these specific relationships have not been supported in Asian countries and merit further investigation (Sohail and Daud, 2009). Further, there is little empirical research to test HRM and KM relationships through the lens of employees' behaviour (Jimenez-Jimenez and Sanz-Valle, 2013): to leverage human capital in workplaces (Afiouni, 2013). Jimenez-Jimenez and Sanz-Valle (2013) argue that future research is required to understand the employees' behavior in the KM context because employees' behaviour is likely to structure the relationship between HRM and KM initiative like knowledge sharing.

Although, a linkage between HRM and KM has been identified, however, the growing attention in managing (individual and organisational) knowledge capabilities for HRM practices is an area that require more empirical verifications (Scarborough and Carter, 2000; Hislop, 2003). Another reason of little empirical research on HRM and KM linkage could be an understanding that KM is part of HRM. For instance, specific HRM practices can exploit KM initiatives (Minbaeva *et al.*, 2009).

One of the purposes of HRM practices is to manage employees and their knowledge within organisations. A research in the area of KM and HRM conducted from 1999-2008 suggests that more quantitative research is required in order to understand the antecedents of knowledge sharing in the HRM context (Wang and Noe, 2010).

Since there are limited empirical contributions in the field of KM and HRM, this study aims to be an effective knowledge contribution on the relationship between HRM and KM initiative. This study focuses on the HRM practices that contribute to employees' knowledge sharing and improve organisational capability. This study aims to focus on a developing country, Pakistan and investigates the relationships between HRM practices and employees' knowledge sharing behaviour, based on their perceptions in KIFs.

There are several reasons for choosing Pakistan for this study. Firstly, the phrase, managing knowledge, is new in the Pakistan and there is insufficient organisational and management support for employees' knowledge sharing. There is also a lack of fairness in the distribution of rewards, which in turn may lead to a poor knowledge sharing environment. Secondly, in the Pakistani business sector, predictors of knowledge sharing has been tested, but there is little research that focuses on the consequences of employees' knowledge sharing (Malik and Malik, 2008;

Tariq *et al.*, 2012). There is also little empirical research based on employees' perceptions to link both HRM and KM fields of study in Pakistan. Thus, this study adds value to the literature regarding the impact of HRM practices on knowledge sharing and the consequences of knowledge sharing in Pakistani knowledge intensive firms (KIFs).

This study focuses on Social exchange theory, on sociological perspective of social exchange theory to understand social dynamics of knowledge sharing behaviour of individuals. This study adds value by suggesting that it is necessary for managers to select the right person for organisation fit with necessary knowledge, skills and willingness to share knowledge to create a better organisational knowledge sharing environment. Second, employees' perceive reward systems have lower effect when comparing with employees' recruitment to create a learning environment in work places. The paper is structured so that following this introduction, review of relevant literature and consequential hypotheses are proposed to explain how HRM practices relate to knowledge sharing and capability. Later, the methodology, results and discussion with brief conclusions are presented.

## Literature Review and Hypotheses Development

### Key Terms

#### *Knowledge sharing:*

It refers to knowledge sharing behaviours by employees. Knowledge sharing depends on employees having knowledge (source of knowledge) and employees receiving that knowledge. Knowledge sharing is an initiative to utilise and apply the knowledge for feedback and validation

#### *Specific Human resource practices:*

Two practices, recruitment and selection and rewards are used in this study. Both practices are considered in knowledge context

#### *Organisational Capability:*

In this study, the term 'organisational capability' is defined in terms of organisational knowledge capability. Organisational knowledge capability refers to the organisational policies and procedures to store employees' knowledge.

#### *Individuals' Capability:*

Individual capability refers to the employees' on-going knowledge contribution in everyday activities. The term 'individual capability' in this thesis is used in terms of knowledge capability for instance, capability to improve their learning and develop skills.

Organisations focus on developing KM practices, but, to improve organisational knowledge capability, HRM has to effectively utilise KM initiatives (Donate and Guadamillas, 2011; Edvardsson, 2008). HRM practices provide benefit to

both individuals and organisations through improved capability (Ipe, 2003; Lin, 2007). In addition, HRM can facilitate the improvement of employees' learning capabilities (Jerez-Gomez, Cespedes-Lorente and Valle-Cabrera, 2005). Specific HRM practices can be useful in supporting knowledge sharing behaviour, like, employees' recruitment, rewards and performance appraisal (Cabrera and Cabrera, 2005; Huselid, 1995; Lepak and Snell, 2002). This study focuses on how specific. The study explores the notion that specific HRM practices, through tacit knowledge sharing, have an effect on individual and organisational capability.

#### **Employees' Recruitment in a Knowledge Context**

This study focuses on employees' recruitment and selections because these are critical HR functions in organisations. Employees' recruitment and selection lead to talent acquisition which is a key HR activity in knowledge intensive firms. In the staffing function, employees' recruitment is designed to acquire the right people. Similarly, employee selection in organisations is generally limited to matching the candidates' knowledge, skills and attitudes to the requirements of job advertised (Chatman, 1991; Rerup and Feldman, 2010). However, organisations may benefit more, if employees' selection becomes a process of matching the candidates with the organisations' goals and objectives, instead of simply matching potential employees with particular job requirements. HR managers select candidates who possess similar values, educational levels and who fit the organisational context and environment (Chatman, *et al.*, 1998; Kristof, 1996). Organisational fit usually means selecting on the basis of a candidate's previous expertise, rather than on their potential abilities (Kuldeep, 2004). Along with other employees' selection techniques, HR managers assess candidates' characteristics through job-related interviews (Lepak and Snell, 2002; Robertson and Hammersley, 2000). Hiring the right candidates can increase organisational capability through building a knowledge community, which can help to enhance learning and knowledge-creating activities (Ipe, 2003).

**H1:** *Employees' recruitment has a significant effect on employees' knowledge sharing behaviour.*

**H2:** *Employees' recruitment has a significant effect on organisational capability.*

#### **Reward Systems in Knowledge Context**

The reward systems can enhance employee motivation that can improve their willingness to share knowledge within organisation. Employees who are willing to share and create

knowledge could be highlighted by management in workplaces (De Long and Fahey, 2000; Michailova and Husted, 2003; Riege, 2007). Employees perceive that open and transparent rewards should be given to those employees who spend their time supporting other members by adding value to the organisation (Bartol and Srivastava, 2002; Iqbal, *et al.*, 2015). Sharing expertise and knowledge is a behavioural construct; therefore, the purpose of rewards could be to change the individuals' behaviour to improve knowledge sharing activities.

**H3:** *Reward systems have a positive effect on employees' knowledge sharing behaviour.*

#### **Knowledge Sharing Linked to Organisational and Individual Knowledge Capability**

In today's knowledge economy, most organisations are attempting to be innovative to maintain competitive advantage. Knowledge based organisations attempt to enhance their learning capability to improve innovation by mobilizing the knowledge in order to achieve competitive advantage (Harrison and Samaon, 2002; Lin. and Yi-Shih Lo., 2015; Venkitachalam and Bosua, 2014). Organisations' learning capabilities depend on employees' knowledge sharing that can lead to improved creativity and innovation (Birchall and Tovstiga, 2006; Ellonen, *et al.*, 2008).

It has been suggested that transfer of knowledge through sharing activities is the best tools for successful innovation in several well-known multinational organisations (Adams, *et al.*, 1998).

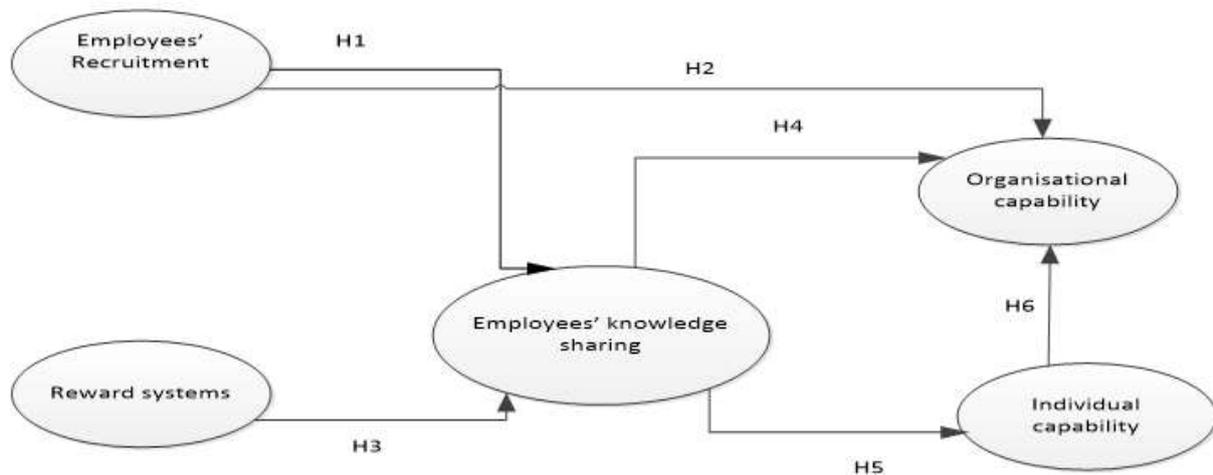
Through the employee's lens, for instance in the telecommunication sector, employees perceive that their knowledge has an asset value in emerging technologies and their knowledge sharing related to technical skills can help both themselves ( through their own learning) and their organisations ( through improve knowledge capability) to survive in this dynamic business environment (Wei, *et al.*, 2006).

**H4:** *Employees' knowledge sharing has a positive effect on organisational knowledge capability.*

**H5:** *Employees' knowledge sharing has a positive effect on individual knowledge capability.*

**H6:** *Individual capability has a positive effect on organisational knowledge capability.*

Based on existing review of literature, a proposed model is designed as shown in Fig. 1.



**Fig. 1:** Proposed model of this study

## Research Methodology

The samples were obtained from populations in the educational and telecommunication sectors. The population of this study is consisted of employees who use their experience and knowledge in their organisations. The respondents of this study were working in the telecommunication and higher education sectors of the Punjab province in Pakistan. One of the reasons for choosing these two sectors for this study is that both the higher education institutions and telecommunication sectors are rapidly growing in Pakistan. Another reason is that employees' knowledge is a key resource, along with other resources, in both business sectors. A total of 600 questionnaire were distributed and 390 usable questionnaire were received.

The sampling strategy includes, applying a simple random sampling (probability) technique to the databases of higher education and telecommunication sector, in province Punjab, Pakistan. Thirty companies initially agreed to participate in the study, later, a total of 19 companies made up the final sample.

### Questionnaire Development Process

In this study, the instrument was developed by using pre tested with high reliability question item from the field of HRM and KM. Appendix shows the dimensions of each construct along with the references of the question items used to measure that construct.

### Data Collection

Initially the selected organisations were contacted by email, which briefly stated the research topic, the research questions and the significance of the research. This email pre-empted a visit to these organisations in Pakistan. After approval and agreement from the organisational gatekeepers to participate in the research, a personal visit of the researchers was made, with special attention being paid

to the contact persons (gatekeepers). Survey packages were delivered, containing an information sheet for participants and a hard copy of the questionnaire. Questionnaires of this study were distributed by the gatekeepers and completed questionnaires were received by the contact persons at a time convenient to the respondents. Researchers had no control on distribution of questionnaire to the recruited respondents. In order to maximise the overall response rate, followed up visits and emails were made to the gate keepers. Literature supports the data collection method as suggested by several scholars. Regarding the question of circulation, many researchers use gatekeepers (contact persons) to distribute the surveys within their organisations (Pires, *et al.*, 2005; Talmon, *et al.*, 2011). The gatekeepers maintain a barrier and privacy between the researchers and the respondents, thus increasing access to individual employees, whilst maintaining the privacy and confidentiality of the responses. A total of 390 useable questionnaires were received making the response rate of 65%.

## Results

### Internal Consistency Reliability

First of all, internal consistency reliability was computed as shown in Table 1. Internal consistency is an indicator to explain the measure of question items (Litwin, 1995). A valuable coefficient for measuring internal consistency is Cronbach's alpha (Nunnally and Bernstein, 1994). The threshold value of Cronbach's alpha is 0.70 as suggested by researchers (Hair, *et al.*, 2010; Pallant, 2007). In this study, the cut-off value of the Cronbach's alpha values of latent constructs is 0.70.

Table 1 shows that the values of Cronbach's Alpha surpass the cut-off values; hence, scales have satisfactory levels of internal consistency and can be considered for further analysis.

**Table 1:** Cronbach's Alpha of the instrument

Concepts	No. of items	Cronbach's Alpha
Employees' recruitment	15	0.82
Reward systems	12	0.80
Employees' knowledge sharing	15	0.93
Organisational knowledge capability	7	0.80
Individual knowledge capability	7	0.81

**Descriptive Results**

In this study, 73.6% were male and 26.4% were female respondents. This shows that almost half of the respondents (49.2 percent) fall in age band of 21-30 years. Educationally, 53.1% have Master's degrees, 31.3% have Bachelor's degrees and 9.5% have PhDs. Respondents' work experiences show that those who have one to three years of total experience accounted for 73.6% of the all respondents, followed by almost 10% of respondents reporting total experience between 5 -10 years. Some of the demographical characteristics in this study are consistent to those researched earlier in Pakistani business sectors (for instance, Kashif *et al.*, 2011). Table 2 shows the

comparisons of the studies conducted among Pakistani KIFs. The ratios are described in terms of the total respondents of the respective study.

**Multivariate Analysis**

For the statistical treatment of the proposed model (see Figure 1): structural equation modeling (SEM) technique was utilized through a statistical software Amos version 19, following the two-step method as suggested by several researchers (e.g. Hair, *et al.*, 2005). In this study validity of measurement model was tested through confirmatory factor analysis (CFA) and later a structural equation modeling (SEM) was used. The reason for applying SEM to data analysis is check model fit with the dataset (Bollen, 1998).

**Goodness of Fit Indices**

Several measures could be used to check the goodness of fit of the model. Mostly, six common measures were used (Segars and Grover ,1998). These six measures are used in this study. As shown in Table 3.

**Hypothesis Testing**

The results from the analysis suggest that hypotheses, H1, H2 and H6 are strongly supported, whereas, hypotheses H3 and H5 are moderately supported. Hypothesis H4 was not supported. See Table 4 and Fig. 2 for the hypotheses results.

**Table 2:** Consistency sample representativeness

Demographics	Category	This study	Kashif et al (2011)	Shahzad et al (2008)	Shahzad et al (2011)
Age	≥ 30 years	Close to half	Over half	Over half	Over half
Gender	Males	Over two third	Over two third	--	Over two third
Education level	Masters degree	Over half	Over half	Over half	Almost half
Work experiences	2-5 years	Over two third	Over two third	Almost half	Over two third

**Table 3:** Measurement Model fit

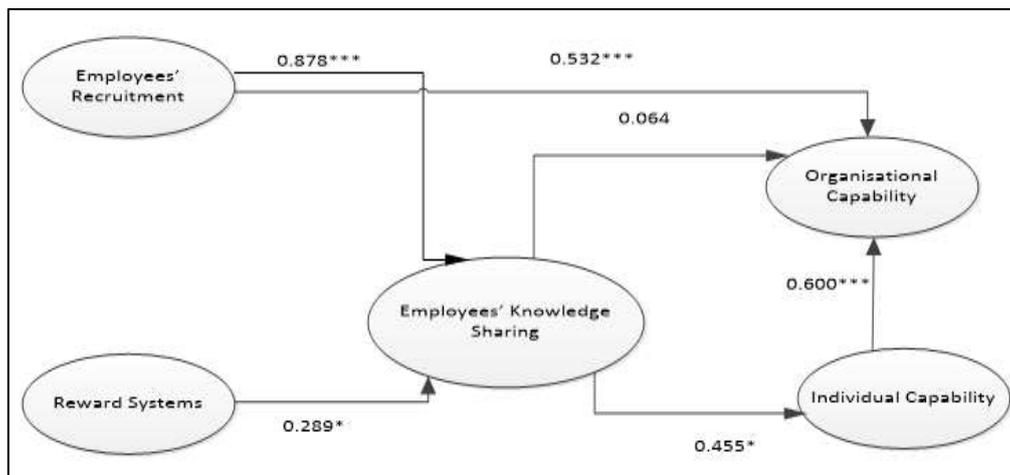
Goodness-of-fit measures	$\chi^2$	GFI	AGFI	CFI	NFI	RMSEA
	<i>Test statistics/df</i>					
<b>Recommended values</b>	≤ 3.00*	≥ 0.90*	≥ 0.90*	≥ 0.90*	≥ 0.80**	≤ 0.08*
<b>CFA model</b>	<b>2.96</b>	<b>0.93</b>	<b>0.90</b>	<b>0.90</b>	<b>0.86</b>	<b>0.07</b>
<b>Structural Model</b>	<b>2.85</b>	<b>0.94</b>	<b>0.91</b>	<b>0.92</b>	<b>0.88</b>	<b>0.07</b>

\*(Bagozzi and Yi, 1988; Browne and Cudeck, 1993) and \*\*(Ryu, *et al.*, 2003)

**Table 4:** Hypotheses results

Hypothesis	Path	Path coefficient	Std. error	Critical ratio	P - value	Remarks
H1	Recruitment → Knowledge Sharing	0.878	0.260	3.381	***	Supported
H2	Recruitment → Organisational knowledge capability	0.532	0.059	9.047	***	Supported
H3	Rewards → Knowledge Sharing	0.289	0.129	2.247	0.025*	Supported
H4	Knowledge Sharing → Organisational. knowledge capability	0.064	0.137	0.465	0.642	Not supported
H5	Knowledge Sharing → Individual knowledge capability	0.455	0.229	1.987	0.047*	Supported
H6	Individual capability → Organisational knowledge capability.	0.600	0.155	3.871	***	Supported

\*\*\* Significant at  $p < 0.001$ , \* Significant at  $p < 0.05$



**Fig. 2:** Structural model with results

\*\*\* Significant at  $p < 0.001$  and \* Significant at  $p < 0.05$

**Discussion**

The results in this study suggest that employees' recruitment, being significant practices in the staffing function of HRM, are very important for shaping employees' knowledge sharing behaviour at ( $\beta=0.878, p < 0.001$ ). This finding is similar with the results of Cabrera and Cabrera (2005). It is also found that employees' recruitment have a strong positive effect on organisational capability. Further, the result shows that individual capability has a strong positive effect on organisational knowledge capability at ( $\beta=0.600, p < 0.001$ ). This result is consistent with previous findings (Dawson, 2000; Lee, 2001). Hence, in current dynamic business environments, organisational capability is associated with individual capability and provides value for KIFs.

Some of the results show moderate effect, first, the result show that the reward systems has positive moderate effect on employees' knowledge sharing at ( $\beta=0.289, p < 0.05$ ): compare to employees' recruitment. This relatively weak relationship may be due to poor support from managers or organization itself (Rhoades and Eisenberger, 2002).

Second, moderate effect of knowledge sharing on individual knowledge capability at ( $\beta=0.455, p < 0.05$ ). The results are consistent with Reyhav and Weisberg (2009): Oldham (2003) and Swart and Kinnie (2009). This result shows that personal development as a dimension of individual capability takes place through the validation of employees' tacit knowledge. Validation of knowledge occurs when colleagues who receive the knowledge utilise it and provide feedback to the knowledge source.

The results can be extended and suggest that managing employees' knowledge is different from traditional management, where managers administer and engage in decision-making and the employees' roles are to act according to the instructions of their line and top managers. However, in KIFs role of managers may be as a coach and facilitator. When organisations provide opportunities to their skilled employees by asking them to take part in the organisational process, this may increase their willingness to share their knowledge.

This study acknowledges that several other factors can hamper employees' knowledge sharing, with the most

important factors being employee turnover and lack of trust (between employees and management) which are critical to business success. Employee turnover is out of this study's scope; however, future research may test relationship between knowledge sharing and employees' turnover rate. It could be suggested that knowledge vacuum may occur, when skilled employees quit the job for good and take their tacit knowledge with them.

This study has some contributions: the first contribution comes from analysing the employees' recruitment and organisational capability. The results suggest that it is necessary for managers to select the right person for organisation fit with necessary knowledge, skills and willingness to share knowledge (Chatman, 1991) to create a better organisational knowledge sharing environment. This focus on hiring practices is consistent with Breugh and Starke (2000) that the new employees having better fit in the organization are more motivated to adjust in organisations. The findings are also consistent with Scholarios *et al.* (2003) that the development of genuine goals in employees' recruitment could potentially lessen the inappropriate match between employees and organisational objectives.

A second contribution comes from analysing the rewards as part of HRM practices in encouraging knowledge-sharing behaviours. The finding is consistent with the results of Lin (2007): De Long and Fahey (2000) and Riege (2007) that suggest reward systems in Pakistani KIFs (Telecom and Higher education sector) encourage knowledge sharing activities among employees. This result show that rewards are relatively lesser influential technique to improve employees' knowledge sharing. This finding supports the earlier research, for example, Bock and Kim (2002) suggest that incentives (routine annual monetary rewards) have little or negative impact on employees' knowledge sharing behaviour in the Korea. Similarly, such routine rewards can only provide temporary compliance in regards to employees' knowledge sharing behaviour (Dong, *et al.*, 2010). Temporary compliance is not an effective tool to change employees' behaviour in KIFs (Dong *et al.*, 2010).

However, the moderate effect of rewards on knowledge sharing in Pakistani KIFs may be because knowledge management is in its infancy in the Pakistani environment. Further, there is insufficient organisational support for knowledge sharing, transparency and working conditions. The results of this study show that Pakistani employees perceive that employees' recruitment practices are more important to improve organisational capability than are rewards. In contrast, ongoing rewards only have a small impact on organisation capability. The reason for such a claim is because rewards moderately influence employee knowledge sharing which weakly impacts on individual capability. It is suggested that the results may be indicative

that the first and highest priority for KIFs, at least the ones studied in Pakistan, is to make sure that the best (however that is defined) people are brought into the organisation through the employees' recruitment process. In addition, knowledge management in Pakistan is in its infancy stage, to boost the knowledge sharing process within organisations, managers could focus on employees' recruitment activities. To select persons fit for organisation may improve the knowledge sharing culture and enrich the knowledge community within organisation. Previous literature mostly seems to emphasise the importance of rewards in driving behaviour, but, this effect is quite minor when compared to employees' recruitment as a driver of organisation capability. This study suggests that regarding Implications for employees' recruitment, this aspect of HRM practice needs to be aligned with the organisation and must deliver optimum decisions when considering who to employ. This study suggests the term "right people" means specifically the selection of those employees who will enhance organisational capability and knowledge sharing (as say, for example, for some other characteristic that might improve organisational performance). The suggestions are not about impact on performance as such but are confined to the selection of the right people for knowledge sharing success. Primarily, HR managers should select best team of employees based on existing employees' referrals and candidate's previous knowledge to improve their organisation capability in KIFs (Swart and Kinnie, 2003). The inclusion of realistic measures in employees' recruitment could reduce the unsuitable match between employee's skills and organisational goals. In fact, employees' recruitment process drives employee knowledge sharing - basically who they are coming into the organisation.

This study's results need to be thought of in the context that this is an employee perception study in KIFs. The results suggest that employees themselves appear to be acknowledging that rewards cannot change employees' behaviour that much and that the emphasis should be on getting the right people on to the job. It appears that organisational environment does not change people that much (for examples through incentives): but rather employees continue to be who they were before entering the knowledge intensive organisation. So the employees' recruitment process is critical in identifying those potential employees who have the propensity to share knowledge.

### **Limitations and Future Research**

Although the results are persuasive, there are several limitations to this study and so they should be interpreted with some caution. Further examination and additional research should be conducted before applying these findings to HRM practice. First, the sample was drawn from 390 employees of 19 Pakistani KIFs. Hence, the research model could be tested other than Pakistan, particularly in

developed and western countries. The reason could be that of cultural, economic and social differences may influence employees' perceptions. Second, relatively the larger sample could provide better insight along with more statistical power. However, the structural model presents in this study has a good fit. Do note that studies in the field of HRM in similar theme have used small and single sample, For instance, Lopez-Cabrales *et al.* (2011) and Ooi *et al.*, (2012). This study emphasise the importance of further research to investigate the results. This study is cautious about hesitant to making strong recommendations for HRM practices that encourage knowledge sharing and organisational capability, based on this one study. However, it could be encouraged by the findings and it is worthy of further investigation by others in the field.

## Conclusion

In this study, investigating two key HRM practices in KIFs enabled us to gain some findings. Having a closer examination, the results revealed that employees' perceive that in this dynamic business environment organisational recruitment practices should be on priority. Fair recruitment and selection processes may boost employees' confident to collaborate and share their skills and with colleagues. This may help to create new knowledge that can eventually improve organisations' knowledge capability. This study suggests a future research to confirm the results regarding employees' knowledge sharing behaviour by using relatively large sample across different business sector and countries.

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## Appendices

### Measurements of variables in the study's Instrument

Constructs	References
Employees' Recruitment	(Kuldeep, 2004), (Edgar and Geare, 2005), (Lepak and Snell, 2002)
Reward systems	(Sweeney and McFarlin, 2005), (Balkin and Gomez-Mejia, 1990), (Davenport and Prusak, 1998)
Knowledge Sharing	(Bock <i>et al.</i> , 2005), (Reychav and Weisberg, 2009), (Van and Van, 2004).
Organisational capability	(Shu-hsien, W <i>et al.</i> , 2007).
Individual capability	(Tsai, <i>et al.</i> , 2001),(Youndt, 2004)