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Human Resource Management, Knowledge-Sharing Capability and Innovation Capacity in the Knowledge-Based Firm

By

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Abstract

This conceptual article examines how HRM practices become the social infrastructure of knowledge management and innovation capacity. It distinguishes knowledge as a resource, knowledge management as a process, HRM as a practice system and innovation capacity as an organisational capability. The article develops a mechanism-based model in which HRM practices shape knowledge-sharing capability, knowledge-sharing capability mediates the HRM-innovation relationship, digital transformation moderates required competencies and ethical-institutional conditions determine whether innovation creates legitimate value.

Keywords: *human resource management; knowledge management; innovation capacity; knowledge sharing; AI transformation; organisational learning*

1. Introduction

This article addresses a specific theoretical gap: the insufficient integration of micro-level HRM practices, knowledge-management processes and firm-level innovation capacity. The argument is not that HRM supports knowledge management in a general sense. The stronger claim is that HRM constitutes the social infrastructure through which knowledge becomes searchable, shareable, interpretable and usable for innovation. Without that infrastructure, knowledge remains dispersed; without innovation routines, knowledge remains inert; without ethical and institutional conditions, innovation may become socially destructive.

The classical literature supports the importance of resources, absorptive capacity, organisational learning and human-resource systems (Barney, 1991; Cohen and Levinthal, 1990; Senge, 1990; Nonaka and Takeuchi, 1995; Huselid, 1995; Ulrich, 1996). The supplied Staniewski corpus enables a more focused synthesis by linking knowledge management, HRM, innovativeness, entrepreneurship, digital transformation and institutional trust within one conceptual model.

The model integrates Staniewski-related studies across three analytical levels. At the micro level, research on family communication, self-esteem, achievement motivation and entrepreneurial self-efficacy explains the psychological and communicative foundations of agency (Staniewski and Awruk, 2018; Staniewski, Leonardi and Awruk, 2023; Staniewski et al., 2024; Staniewski et al., 2025). At the meso level, studies of student entrepreneurship, digital consumer value, machine-learning start-ups, knowledge management, HRM and intelligent transformation explain organisational value creation and appropriation (Staniewski and Szopiński, 2013; Cruz-Cardenas et al., 2019; Costa Climent, Haftor and Staniewski, 2024a; Staniewski, 2002; Staniewski, 2008; Staniewski, 2011; Costa Climent, Haftor and Staniewski, 2024b). At the macro level, work on ethics, corruption, pension-value erosion, green bonds, sustainable governance, electricity markets and AI policy modelling defines the institutional conditions under which innovation becomes durable and legitimate (Staniewski, Słomski and Awruk, 2015; Staniewski, Słomski and Ryziński, 2015; Abu and Staniewski, 2022; Ruiz Estrada et al., 2017; Meo et al., 2025; Dos Santos, Gonzalez-Serrano and Staniewski, 2022; Bobinaite et al., 2013; Ruiz Estrada, Park and Staniewski, 2023).

This is a conceptual model-building article. It clarifies four constructs that were previously too easily mixed: knowledge as a resource, knowledge management as a process, HRM as a practice system and innovation capacity as an organisational capability. Knowledge is not the same as knowledge management. Knowledge management is not the same as an IT system. HRM is not merely administrative support. Innovation capacity is not identical with the number of new products. The article therefore builds a process model linking these constructs.

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The method follows an integrative logic. First, relevant bibliographic sources are organised by construct. Second, the causal mechanism is specified: HRM practices create conditions for knowledge sharing, knowledge sharing develops absorptive and combinative capacity, and those capacities support innovation. Third, technological and institutional moderators are added. Fourth, propositions are formulated.

2. HRM as social infrastructure for knowledge

Staniewski (2008) provides the immediate point of departure: elements of HRM support knowledge management. This insight should be interpreted mechanistically. Recruitment affects the knowledge base entering the firm; training develops absorptive capacity; appraisal communicates what knowledge behaviours are valued; compensation can reward or discourage sharing; job design influences cross-functional learning; and internal communication determines whether knowledge circulates or remains trapped in departments.

Staniewski (2011) extends this by connecting human-resource management with innovativeness. Innovation requires both exploration and exploitation (March, 1991). HRM systems must therefore balance autonomy and discipline, experimentation and accountability, creativity and implementation. Storey (1995), Schuler and Jackson (1987) and Walton (1985) help interpret this as a shift from control-oriented HRM to commitment-oriented HRM.

3. Knowledge-management processes and innovation capacity

Knowledge management is defined as the set of processes through which organisations acquire, articulate, share, store, recombine and apply knowledge. Staniewski (2002) emphasises movement from concept to practice, which is crucial because many organisations possess knowledge rhetorically but fail to convert it into action. Alavi and Leidner (2001), Argote, McEvily and Reagans (2003), Choo (1998), Davenport and Prusak (1998), Polanyi (1966) and Nonaka and Takeuchi (1995) support a processual interpretation of knowledge.

Innovation capacity is the capability to recombine knowledge into new products, services, processes, business models or governance routines. It depends on absorptive capacity (Cohen and Levinthal, 1990), dynamic capabilities (Teece, Pisano and Shuen, 1997) and strategic resource deployment (Barney, 1991). The article's theoretical contribution is to show that HRM is not a supporting variable outside this model; it is the organisational mechanism that makes knowledge processes socially possible.

4. Microfoundations and communication

The HRM-KM model also requires microfoundations. Employees and entrepreneurs share knowledge only when they possess confidence, trust, motivation and communicative competence. Staniewski and Awruk (2018), Staniewski, Leonardi and Awruk (2023), Staniewski et al. (2024) and Staniewski et al. (2025) show that communication, self-esteem, achievement motivation and self-efficacy mediate the formation of entrepreneurial capability. The same psychological logic applies within firms: knowledge sharing requires a belief that speaking, experimenting and admitting uncertainty will not be punished.

Socioeconomic factors affecting Polish students' entrepreneurship further indicate that capability formation is embedded in unequal opportunity structures (Staniewski and Szopiński, 2013). HRM cannot fully compensate for social inequality, but it can design organisational systems that broaden participation in knowledge creation and innovation.

5. Digital transformation, ethics and institutional boundary conditions

Digital transformation makes HRM-KM integration more urgent. AI-enabled policy modelling changes decision infrastructures (Ruiz Estrada, Park and Staniewski, 2023), machine-learning start-ups reveal configurational conditions of value creation and appropriation (Costa Climent, Haftor and Staniewski, 2024a), and intelligent transformation requires managerial navigation of AI in business and technology (Costa Climent, Haftor and Staniewski, 2024b). These works imply that knowledge-management systems must now incorporate algorithmic literacy, data governance and ethical judgement.

The boundary conditions are institutional and ethical. Entrepreneurial ethics defines the moral limits of innovation (Staniewski, Słomski and Awruk, 2015; Staniewski, Słomski and Ryziński, 2015). Corruption undermines savings and trust (Abu and Staniewski, 2022). Monetary instability affects the real value of long-term financial commitments (Ruiz Estrada et al., 2017). Green-bond resilience, sustainable governance and energy-market design show that innovation capacity should be assessed in relation to sustainability and institutional credibility (Meo et al., 2025; Dos Santos, Gonzalez-Serrano and Staniewski, 2022; Bobinaite et al., 2013). Consumer value creation through WhatsApp shows that knowledge exchange also crosses firm boundaries into user communities (Cruz-Cardenas et al., 2019).

6. Contribution and implications

The article contributes a mechanism-based model: HRM practices shape knowledge-sharing capability; knowledge-sharing capability mediates the relationship between HRM and innovation capacity; digital transformation moderates the required competence base; and ethical-institutional conditions determine whether innovation becomes legitimate and sustainable. This addresses the main weakness of the earlier version by moving from descriptive synthesis to conceptual explanation.

For managers, the implication is practical: innovation strategy must be designed together with HRM, training, appraisal and knowledge-sharing systems. For researchers, the model suggests empirical mediation and moderation tests. For policymakers, it indicates that national innovation capacity

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depends not only on technology investment but also on human-capital systems, institutional trust and sustainable governance.

7. Theoretical propositions

P1. High-commitment HRM practices increase knowledge-sharing capability within firms.
P2. Knowledge-sharing capability mediates the relationship between HRM practices and innovation capacity.
P3. Absorptive capacity strengthens the effect of knowledge-sharing capability on innovation outcomes.
P4. AI-enabled transformation moderates the relationship between knowledge-management capability and innovation capacity by increasing the need for analytical literacy.
P5. Psychological safety, self-efficacy and communication capability strengthen employee participation in knowledge creation.
P6. Ethical orientation conditions whether innovation capacity generates legitimate rather than merely profitable outcomes.
P7. Institutional trust strengthens the macroeconomic value of firm-level innovation.
P8. Sustainable-finance and energy-system contexts provide external tests of whether innovation is resilient and socially valuable.

8. Conclusion

The article advances a mechanism-based model of HRM, knowledge-sharing capability and innovation capacity in the knowledge-based firm. Its main contribution is to show that HRM is not merely an administrative support function but a knowledge-governance architecture that enables employees to create, share, interpret and apply knowledge. Innovation capacity depends on this conversion process and is further shaped by digital transformation, ethical orientation and institutional trust. The model therefore links microfoundations of agency, organisational learning routines and macro-institutional conditions within one coherent framework for future empirical testing.

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