As theories of strategic management have shifted toward resource- and knowledge-based views of the firm, researchers have increasingly looked inward for sources of competitive advantage and value creation. Arguably, the most distinctive and inimitable resource available to firms is knowledge that enables them to effectively employ, manipulate, and transform various organizational resources (Grant, 1996; Kogut & Zander, 1992; Nonaka, 1991). While organizational knowledge is embedded in a variety of entities, such as tools, tasks, technologies, and people, people-embodied knowledge is the foundation of a firm’s core capabilities and is fundamental to the development of its value proposition (Argote & Ingram, 2000). In this regard, human resource management (HRM) has become inextricably tied to the larger context of strategic management (cf. Barney & Wright, 1998; Boxall, 1996).

In the context of strategic action, Dierickx and Cool (1989) note that a firm’s accumulated skills, expertise, and wisdom can be viewed as knowledge stocks. In contrast, the streams of new knowledge that are obtained, transferred, and integrated to enrich and change a firm’s knowledge stocks can be viewed as knowledge flows. Knowledge flows include exchanging new knowledge across organizational boundaries, as well as transferring underutilized yet potentially valuable knowledge within organizational boundaries (Argote & Ingram, 2000). While knowledge stocks provide the foundation for a firm’s core competencies (Grant, 1996), knowledge flows are necessary for facilitating organizational learning by enabling a firm to expand, refine, and modify its knowledge stocks, thereby creating the firm’s dynamic capabilities (Teece, Pisano, & Shuen, 1997). This distinction can be important because, as Leonard-Barton (1995) has pointed out, without continual knowledge flows to enhance and renew their strategic value, knowledge stocks can sometimes cause core rigidity. This implies that while managing current knowledge stocks may be important for HRM, managing knowledge flows may be equally if not more important.

However, current HR research, drawing on the resource-based view (RBV) of the firm, tends to focus on managing knowledge stocks as sources of value creation. For example, Lepak and Snell (1999, 2002) have established a framework (re-
ferred to as the HR architecture) that highlights how value creation and the strategic positioning of firms are derived from managing different knowledge stocks found in various employee groups both within and across firm boundaries. Their perspective helps to integrate these differences in knowledge and to create an overall picture of how a firm’s portfolio of knowledge stocks is managed. However, they note that further work is needed to understand how different knowledge stocks might work together and be coordinated to balance the complexity and dynamics of the entire HR architecture. Doing so requires that we shift our attention to managing knowledge flows, which include the sharing and combination of knowledge among different employee groups within and across firm boundaries.

The process of acquiring, transferring, and integrating valuable knowledge distributed within and across organizational boundaries often takes place in the context of social interaction (Kale, Singh, & Perlmutter, 2000; Nahapiet & Ghoshal, 1998). In fact, social relations are considered more efficient mechanisms for sharing both tacit and explicit knowledge among individuals than are other mechanisms, such as information systems and formal control (Grant, 1996; Kogut & Zander, 1992; Nonaka & Takeuchi, 1995; Spender 1996). Based on this notion, an important strategic issue involves identifying the relationships that facilitate knowledge flows and, consequently, organizational learning.

Recent research has supported the possibility that HR practices help build social relations among employees by improving their opportunity, motivation, and ability to access and mobilize one another’s knowledge (Alder & Kwon, 2002; Dyer & Nobeoka, 2000; Leana & Van Buren, 1999; Nahapiet & Ghoshal, 1998). This suggests that HRM plays a pivotal role in facilitating knowledge flows and organizational learning, mediated by social relations.

The purpose of this paper is to uncover a process of value creation that links organizational learning, social relations, and HRM, focusing on knowledge flows across different employee groups in the HR architecture. We do this by first discussing how two different types of organizational learning (exploratory and exploitative) must be present to create new value. Second, we discuss three dimensions of social relations—structural, affective, and cognitive—in terms of how they contribute to facilitating each type of organizational learning. We then identify two relational archetypes—entrepreneurial and cooperative—as logical patterns where structural, affective, and cognitive attributes of social relations align with either exploratory or exploitative learning. Finally, we discuss how each of these archetypes may occur in the context of the HR architecture, supported and accompanied by HR practices, and suggest several implications of this framework for future research.

ORGANIZATIONAL LEARNING AND VALUE CREATION

The success of a firm hinges on its ability to offer new and superior customer value in existing markets and/or to create new markets through quantum leaps in customer value (Kim & Mauborgne, 1997). As the source of this value creation, March (1991) notes two alternative forms of organizational learning: exploratory and exploitative. Exploratory learning involves the pursuit of knowledge that does not exist in the firm to create new customer value, or that replaces a firm’s existing knowledge to enrich current customer value. In contrast, exploitative learning involves refining and deepening existing knowledge that results in expanding or enriching current customer value. The two types of learning are based on different patterns of knowledge flows and bear different benefits and costs for the firm.

In many cases, a firm creates value by refining existing knowledge stocks and improving how they are used (Schumpeter, 1961). In this case, organizational learning results from localized and in-depth search in a narrow range of knowledge domains so as to pursue well-defined solutions in the existing knowledge bases of the firm. According to Schulz (2001), the resulting exploitative learning is usually more certain in process and outcomes and less diverse than in exploratory learning with completely new knowledge. Dewar and Dutton (1986) describe it as more incremental, more routine, and more pertinent to the current operations.

From the standpoint of value creation, if we conceive of value as the difference between benefits derived and costs incurred, exploitative learning generates both more proximate benefits and predictable costs. The benefits include
improving the firm’s productivity, incremental innovation, and a particular kind of dynamic capability to consistently improve competences in stable environments by increasing the efficiency of knowledge search, absorption, and combination (Argyris & Schön, 1978; Benner & Tushman, 2003; Danneels, 2002; Eisenhardt & Martin, 2000; Katila & Ahuja, 2002; March, 1991; McGrath, 2001; Starbuck, 1992). Still, a firm’s sole focus on exploitative learning may have detrimental effects if the firm’s knowledge bases ultimately decay and become obsolete (Levinthal & March, 1993). In other words, because the returns on this form of learning are ordinarily more certain, immediate, and familiar (March, 1991), a firm runs the risk of utilizing its knowledge stocks but failing to renew them.

Another, complementary way for firms to create value is to pursue radically new ideas and innovations, especially in highly complex or changing environments (Luo & Peng, 1999). Exploratory learning, which is based on relatively broad and general knowledge search, would enable firms to achieve radical innovations that would dramatically improve firm performance, and a kind of dynamic capability or flexibility to adapt to unpredictable changes by expanding knowledge pools and/or enhancing new recombinatory mechanisms (Danneels, 2002; Eisenhardt & Martin, 2000; McGrath, 2001; Teece et al., 1997).

From the standpoint of value creation, exploratory learning carries both higher potential benefits and higher potential costs. As described by Schulz (2001), exploratory learning has uncertain relevance—an unknown potential to affect everything or nothing. In other words, although the allure of knowledge exploration is seen in terms of large payoff, it is also a potentially risky activity with few guarantees of success. The potential value of exploratory learning may be substantial, but Levinthal and March (1993) note that overreliance on this approach will ordinarily prevent a firm from gaining the full returns of its knowledge. Constant exploratory learning causes a firm to operate with less efficiency if it is constantly renewing its stocks without fully utilizing them.

Taken together, firms can neglect neither exploratory nor exploitative learning. For example, Miner and Mezias (1996) suggest that differences in these two learning modes firms adopt, as well as the extent to which they pursue learning, are associated with differences in the firms’ value creation. In fact, some researchers have argued that it is important for a firm to understand how to exploit its knowledge stocks to ensure current viability and, at the same time, to explore complementary domains to ensure future viability (Bierly & Chakrabarti, 1996; Katila & Ahuja, 2002; Tushman & O’Reilly, 1996).

**THE SOCIAL CONTEXT OF ORGANIZATIONAL LEARNING**

While both exploratory and exploitative learning are potentially important for value creation, our discussion so far has not addressed the issue of how they are managed. What is clear from the extant literature is that much organizational learning takes place in the context of social interaction (Adler & Kwon, 2002; Dyer & Nobeoka, 2000; Nahapiet & Ghoshal, 1998; Yli-Renko, Autio, & Sapienza, 2001). Scholars such as Kogut and Zander (1992), Nonaka and Takeuchi (1995), and Conner and Prahalad (1996) have recast the theory of the firm to focus on organizations as social communities specializing in knowledge exchange.

The nature of social relations has been conceptualized in several ways, particularly in the context of how relationships facilitate knowledge flows and organizational learning. We use the term social relations to convey the common meaning among diverse terminology, such as “social capital,” “social networks,” “relational embeddedness,” and the like (e.g., Adler & Kwon, 2002; Granovetter, 1985; Nahapiet & Ghoshal, 1998). This body of research suggests that social relations vary along three identifiable dimensions: structure, affect, and cognition. As discussed below, we can draw parallels among these dimensions of social relations and corresponding characteristics of organizational learning. In particular, we examine how variations in structural, affective, and cognitive elements of social relations may be associated with either exploitative or exploratory learning.

**The Structural Dimension**

Theorists such as Coleman (1988), Burt (1992), Uzzi (1997), and Gabbay and Leenders (1999) have suggested that organizational learning is primarily determined by the structure of relationships—that is, the patterns of connections
among parties within and across firms. Put simply, network structures affect employees’ opportunities to identify and access other parties’ idiosyncratic knowledge within and across the firm. Granovetter (1992) and Uzzi (1997) have proposed that two main ways these patterns are expressed include strength of ties (i.e., how tightly network members are connected to one another), and network density (i.e., the overall redundancy of connections in the network). Strength of ties primarily conveys how often actors interact, whereas network density conveys who interacts with whom.

**Exploitative learning and dense networks.** The literature on social networks and social capital suggests that strong and dense social connections are efficient at sharing fine-grained and in-depth knowledge, which, as mentioned earlier, supports the firm’s exploitative learning (Leana & Van Buren, 1999). For example, Nelson (1989), Krackhardt (1992), Uzzi (1997), and Hansen (1999) all state that the more frequently employees interact with particular parties, the more opportunities they have to recognize and access the parties’ idiosyncratic knowledge. Likewise, Coleman (1988) and Barker and Obstfeld (1999) argue that dense connections allow employees to obtain redundant but in-depth knowledge in particular knowledge domains. Dyer and Nobbeoka (2000) found that Toyota had been able to exchange and share valuable knowledge more quickly with suppliers by creating strong and dense networks that created institutionalized routines to facilitate knowledge flows.

**Exploratory learning and sparse networks.** Strong and dense social connections are advantageous for improving employees’ opportunities to acquire fine-grained and in-depth knowledge in limited content domains (i.e., exploitative learning), but those same ties may have a negative effect on exploratory learning. Researchers such as Gargiulo and Benassi (2000) have pointed out that strong and dense interconnections may limit employees’ opportunities to explore varied knowledge domains by locking them into narrow social circles. Instead, Granovetter (1973) and Burt (1992) have suggested that weak and nonredundant networks, rich in structural holes, are likely to enable employees to access novel and diverse knowledge by allowing connections among parties within and across firm boundaries. In their view, these social connections allow network members to be less structurally embedded than strong and closed ones, and they position members in brokerage roles to bridge parties otherwise unconnected. Accordingly, weak and nonredundant social connections are likely to provide employees with entrepreneurial opportunities to identify and utilize novel knowledge from a variety of sources that differ from the status quo and, thus, encourage exploratory learning. For example, Hargadon and Fanelli (2002) argue that “knowledge brokers,” such as Hewlett-Packard’s Strategic Processes and Modeling Group, provide a variety of high-technology products by gaining access to divergent knowledge that exists in one domain but is potentially valuable yet unknown to others.

**The Affective Dimension**

Whereas the structural dimension of social relations addresses the network configuration, the affective dimension addresses motives, expectations, and norms among related parties (e.g., trust). Scholars such as Blau (1964), Kale, Singh, and Perlmutter (2000), and Whitener (2001) have suggested that since relationships are created and leveraged through social exchange processes, affective qualities can have an enduring effect on the nature of knowledge exchange in those relationships. Expectations of reciprocity are required in order for employees to mobilize knowledge of relational partners (Kale et al., 2000; Ring & Van de Ven, 1992; Szulanski, 1995). In other words, the potential value of relationships cannot be realized if associated parties do not trust one another and are unwilling to share knowledge (Adler & Kwon, 2002; Gupta & Govindarajan, 2000; Portes, 1998). This is likely to be true even in situations where associated parties have structural opportunities to access knowledge through network connections (Burt, 2001).

Researchers have argued that trust does not vary along one continuum but, rather, can take several distinct forms. Two of those forms include generalized trust, which refers to a kind of impersonal or institutional trust that is accorded to others because they are members of a social unit, and resilient dyadic trust, which refers specifically to trust between two parties having direct experience with each other (Jones & George, 1998; Leana & Van Buren, 1999; Lewicki & Bunk-
Exploitative learning and generalized trust. In situations where organizational learning focuses on deepening and refining knowledge in a particular domain (i.e., exploitative learning), the available evidence suggests that interdependent parties need to cooperate as cohesive units (Dyer & Nobeoka, 2000). In these circumstances, generalized trust may be instrumental for knowledge exchange and sharing because it does not require individuals to have personal experience with every other member of the network; instead, trust is accorded based on the norms and expectations of the broader community or group as a whole (Putnam, 1993). For example, the literature on continuous improvement suggests that those who embrace the overarching goals and norms of reciprocity of a unit are more inclined to reveal mutual concerns with one another and to demonstrate a good faith effort to share a deeper range of knowledge (Edmondson, 1999; Leana & Van Buren, 1999; McAllister, 1995; Nahapiet & Ghoshal, 1998).

Interestingly, while strong-shared norms may open doors for the exchange of valuable, in-depth knowledge among associated parties, it also has the potential to restrict relationships with those outside the social unit (e.g., communities). Researchers such as Jones and George (1998) and Portes (1998) have noted that this might actually reduce employee motivation to accept new ideas, approaches, and points of view. Accordingly, generalized trust can play a pivotal role in fostering knowledge exploitation in limited domains, but it may not be conducive to expanding the knowledge sources required for exploratory learning.

Exploratory learning and resilient dyadic trust. Dyadic trust may deliver more advantages than generalized trust in facilitating and managing exploratory learning. Since it tends to develop through positive exchange experiences among particular parties, dyadic trust may engender knowledge exchange and sharing without constraining efforts to consistently seek other, potentially unrelated relationships (Beer, 1997; Leana & Van Buren, 1999; Uehara, 1990). Sheppard and Tuchinsky (1996) and Jones and George (1998) have pointed out that dyadic trust requires less effort to build, and more narrow commitment to maintain, particular relationships than generalized trust. This is most likely because, unlike generalized trust, dyadic trust does not include any third parties to sanction and monitor desirable exchange relationships. In this regard, it allows employees to flexibly adapt their relationships in dynamic exchange environments.

However, dyadic trust—by its resilient nature—is limited in terms of duration of relationships and scope and kinds of knowledge shared, so it may restrict the exchange of fine-grained and in-depth knowledge (Leana & Van Buren, 1999). Therefore, in situations where organizations need to explore new avenues of opportunity, dyadic trust among parties provides the assurances needed for exchange of a wide (yet less in-depth) range of knowledge, without the coordination costs associated with institutionalized community norms and pressures of social conformity that accompany generalized trust.

The Cognitive Dimension

The cognitive dimension of social relations highlights the importance of shared representation, understanding, and systems of meaning needed for organizational learning. A number of scholars have acknowledged that individuals cannot recognize, understand, and exchange unique knowledge without some shared cognitive frame of reference (Grant, 1996; Nonaka, 1991). Cohen and Levinthal’s (1990) notion of absorptive capacity specifically addresses how a social unit’s ability to absorb new external knowledge is determined by the similarity of prior knowledge bases (cf. Lane & Lubatkin, 1998). Similarly, the literature on shared cognition suggests that team processes for integrating individual knowledge are supported by the similarity of team members’ mental models (e.g., Cannon-Bowers & Salas, 2001; Klimoski & Mohammed, 1994; Mohammed & Dumville, 2001). These arguments commonly emphasize that shared (or common) knowledge is a key dimension of relationships to facilitate organizational learning.

Henderson and Clark (1990) note two separate forms of knowledge (component and architectural) that should be identified when trying to create or add value to a product or service. Component knowledge refers to the knowledge of “parts” or “components,” rather than the whole, whereas architectural knowledge is related to a
shared understanding of the interconnection of all components, or of how things fit together (Matusik & Hill, 1998). Correspondingly, the knowledge that is shared among related parties can be classified into these same two forms. Specifically, common component knowledge is the overlapping knowledge that relates to a subroutine or discrete aspect of a firm’s operations. Common architectural knowledge, conversely, relates to the whole or firm-wide routines and schemas for coordinating and combining the various components of the firm and putting them to productive use (Henderson & Clark, 1990). Each form of shared knowledge may be linked to either exploitative or exploratory learning.

**Exploitative learning and common architectural knowledge.** In the context of exploitative learning for continuous improvement and incremental innovation, research suggests that firms benefit by investing in ways for employees and groups to understand how their knowledge is combined into a whole (Dyer & Nobeoka, 2000; Leana & Van Buren, 1999; Uzzi, 1997). Organizational processes such as product development and supply chain management frequently involve the coordinated effort and integration of various parties, without much overlap in their expertise. This is one of the defining features distinguishing organizations from markets (Grant, 1996).

Common architectural knowledge helps employees not only understand the larger picture but also recognize the sometimes-conflicting demands in their highly specialized jobs (Klimoski & Mohammed, 1994; Kogut & Zander, 1992; Levesque, Wilson, & Wholey, 2001; Nonaka, 1991). It facilitates the efforts of employees to integrate their own knowledge with others, even if they do not have expertise in those other specialties (King & Ranft, 2001; Shane & Venkataraman, 2000; Weick & Roberts, 1993). Furthermore, Nonaka (1991) and Hill and Levenhagen (1995) point out that common architectural knowledge provides a cognitive mechanism to transfer and understand large amounts of knowledge, unexpressed meanings of knowledge, and complex knowledge and experiences difficult to conceptualize adequately. Accordingly, common architectural knowledge allows employees to recognize, understand, and absorb deeper knowledge from their relational partners, and, thus, it helps them pursue exploitative learning.

In other words, when employees share an architectural understanding of how things fit together, they are more likely to exploit and tweak existing knowledge or ways of doing things that affect the interconnection of all components.

**Exploratory learning and common component knowledge.** In situations where firms pursue exploratory learning in new domains, it is unlikely—and perhaps unnecessary—that all participants share a common architectural understanding. However, research suggests that employees must know enough about the content domain of their partners’ expertise to assimilate it, interpret it, apply it, and recognize its value for commercial pursuits (Cohen & Levinthal, 1990; Grant, 1996; Matusik & Hill, 1998; Szulanski, 1995). Even when the knowledge to be exchanged is novel and radically different, Lane and Lubatkin (1998) and Takeishi (2002) argue that common component knowledge between employees and relational partners allows employees to be in a better position to understand and interpret the new knowledge than if they had no prior common knowledge. Accordingly, common component knowledge allows employees to recognize, understand, and absorb novel knowledge from a wide range of relational partners and, thus, to pursue exploratory learning.

**Relational Archetypes and Organizational Learning**

Each of the aforementioned dimensions of social relations (structural, affective, and cognitive) is conceptually distinct and complementary to one another in creating value-added relationships. However, scholars have noted that the three are related in practice—structure influences cognition, cognition influences affect, affect influences structure, and so on (e.g., Adler & Kwon, 2002; Gupta & Govindarajan, 2000; Nahapet & Ghoshal, 1998; Tsai & Ghoshal, 1998; Yli-Renko et al., 2001). This is important because it suggests both theoretical and practical connections that tie the dimensions of social relations together into overall systems of relationships.

In the context of organizational learning, we can identify two logical patterns (or configurations) among the structural, affective, and cognitive attributes of social relations that are coherently aligned with either exploitative or exploratory learning. Because these patterns
are only theoretically derived, rather than empirically validated, we specify them here as relational archetypes. As shown in Figure 1, the two relational archetypes we discuss below are referred to as cooperative and entrepreneurial.

At one extreme, the cooperative relational archetype is characterized by a dense social network with strong ties among its members, generalized trust based on shared norms of reciprocity, and a common architectural knowledge that provides the basis for combination and integration. Following scholars such as Coleman (1988) and Leana and Van Buren (1999), the pattern among these elements reinforces the notion of cooperation in a tightly coupled system. The cooperative archetype is logically consistent with the efforts of employees to exchange, combine, and integrate fine-grained and in-depth knowledge with related parties, which is aligned with the requirements of exploitative learning.

At the other extreme, the entrepreneurial relational archetype is characterized by more sparse and nonredundant network patterns with relatively weak and intermittent ties among its members. The social connections are based on dyadic trust among some of the parties, rather than generalized trust over the whole unit. And while common component knowledge provides a common frame of reference for exchange, there is not necessarily a shared architectural linkage for deep integration. Following scholars such as Burt (1992) and Shane and Venkataraman (2000), this more loosely connected system is consistent with the entrepreneurial requirements of an organization’s efforts to explore novel and diverse knowledge in new or unfamiliar domains, which is logically aligned with the requirements of exploratory learning.

**EXTENDING THE HR ARCHITECTURE**

While we may infer that the characteristics of these two relational archetypes could align—and, indeed, that managers may believe they should align to support various forms of learning—there is no compelling reason to expect that they would align on their own. This was, in fact, Kogut and Zander’s fundamental point about managing organizational learning. As they put it,

**FIGURE 1**

Relational Components of Organizational Learning

- **Exploratory learning**
  - **Entrepreneurial archetype**
    - Weak/nonredundant networks
    - Resilient dyadic trust
    - Common component knowledge
  - **Cooperative archetype**
    - Structural
    - Affective
    - Common architectural knowledge

- **Exploitative learning**
  - **Entrepreneurial archetype**
    - Strong/dense networks
    - Generalized trust
    - Cognitive
  - **Cooperative archetype**
    - Structural
    - Affective
    - Common architectural knowledge
It is important to underline the presumption that the knowledge of the firm must be understood as socially constructed, or more simply stated, as *resting in the organizing of human resources* (1992: 385; emphasis added).

This suggests that how employees are managed has a potentially strong influence on the types of social relations they establish and maintain, and those social relations, in turn, impact the potential for organizational learning. To date, there has not been a great deal of work on the HRM practices that support the social connections needed for organizational learning (cf. Leana & Van Buren, 1999).

**An Overview of the HR Architecture**

Lepak and Snell (1999, 2002) have taken an initial step toward conceptualizing HR practices that support the knowledge-based assets of the firm. In their model of the HR architecture, these researchers focus on the stock of knowledge—human capital—that is the source of firm value creation and asset specificity. As shown in Figure 2, the model identifies HR practices, employment modes (internalized, externalized), and employment relationships (transactional, relational) for different employee cohorts based on the degree to which their human capital is strategically valuable and unique.

Specifically, in the HR architecture, core employees who possess valuable and firm-specific human capital provide the core knowledge base, which is a primary source of competitiveness. Internal partners (traditional employees) provide knowledge that is not particularly unique yet is strategically valuable to the firm so that the firm has an incentive to employ them internally. External (alliance) partners possess knowledge that is unique in some ways but not directly instrumental for creating customer value. Therefore, firms tend to externalize these employees. Finally, contract workers have knowledge that is neither of particularly high strategic value to a firm nor unique, thus becoming prime candidates for outsourcing. The HR architecture makes clear that (1) these four types of human capital contribute in different ways to the competitive advantage of firms and (2) multiple HR configurations are used within firms, depending on the nature of their contribution.

While the HR architecture suggests how firms might allocate, develop, and manage different knowledge stocks, it does not adequately address how firms can manage the knowledge flows across different employee cohorts. How-

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**FIGURE 2**

**HR Architecture**

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ever, in the contemporary setting, few organizations can create value by relying on the knowledge stocks of core employees alone. The exchange and combination of knowledge from internal and external partners is needed to constantly renew knowledge stocks. Lepak and Snell (1999) recognized this limitation and suggested that work is needed to extend the architecture by focusing on how core employees create value in combination with internal and external partners. Put differently, to effectively manage knowledge flows into the core employee group, we need to look at the two overall networks that exist between core employees and internal partners and between core employees and external partners.\(^1\)

**Relational Archetypes in the Context of the HR Architecture**

Although the original HR architecture focuses on managing the knowledge stocks of employee groups, it may indirectly affect knowledge flows by conditioning the occurrence of particular relational archetypes in internal and external relationships of core employees. Specifically, the three design elements of the HR architecture (human capital, employment mode, and employment relationship) are theoretically parallel to the three dimensions (cognitive, structural, and affective) of social relations in terms of their effects on core employees’ opportunity, motivation, and ability to interact with internal and external partners. This gives us some insight into how the management of knowledge stocks may be related to the management of knowledge flows.

**Human capital and cognitive connections.** First, based on the human capital characteristics of the partners, different forms of common knowledge might develop between core employees and their external and internal partners. External (alliance) partners, as conceptualized in the HR architecture, tend to have specific pieces of knowledge that can be uniquely customized or specialized to complement the firm’s core knowledge (Lepak & Snell, 1999). They jointly work with core employees to conduct particular tasks or projects, often on short-term contracts. Those common task experiences are likely to facilitate the development of common component knowledge (i.e., languages and similar task knowledge) between external partners and core employees over time (Brown & Duguid, 1991, 2001; Cicourel, 1973). As noted by Williamson (1975), however, core employees and external partners may not naturally form common architectural knowledge that is normally conveyed through internalized work arrangements. For example, an R&D group from a partnering firm may learn specific, technical knowledge from core employees of the firm, but really have no mechanism or incentive to understand the firm’s norms, internal practices, and culture.

In contrast, because of internalized employment, internal partners (traditional employees) are more likely than external partners to share common architectural knowledge with core employees. However, the knowledge that internal partners deal with tends to differ greatly from that of core employees. This is due, in part, to the fact that while internal partners have valuable job-related knowledge, it is typically neither firm specific nor internally developed (Lepak & Snell, 1999). Accordingly, it is likely to be relatively difficult to develop deep component knowledge between internal partners and core employees based on common task experience.

**Employment modes and network structures.** Employment modes as organizing structures in which employees are managed may also affect the opportunities and patterns of interactions between core employees and their internal and external partners. Internal employment and externalization are likely to vary dramatically in that respect. External partners under the externalized employment mode have different organizational memberships, so there are relatively few formal mechanisms for frequent and dense interactions with core employees. Thus, sparse networks and relatively weak ties are more typical in external relationships of core employees. By the same token, because internal partners under the internal employment mode share the same organizational membership and are often colocated with core employees, they are likely to develop more frequent and dense interactions with the latter than are external partners (cf. Tajfel’s [1981] social categorization theory).

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\(^1\) Contract workers generally offer noncore and low-level skills and knowledge, and thereby have relatively little potential to help modify and renew core knowledge bases of a firm. Accordingly, our framework focuses on the relationships of core employees with internal and external partners.
Employment relationships and the development of trust. The third dimension that distinguishes employees in the HR architecture is the employment relationship—that is, the type and amount of trust, obligation, and reciprocity existing between the employer and employees. According to Rousseau, employment relationships can be viewed in terms of the “psychological contract of individual believers, shaped by the organization, regarding terms of an exchange agreement between employees and their organizations” (1995: 9). Beyond their exchange relationships with organizations (e.g., employers), employment relationships also affect the exchange relationships among employees themselves (Rousseau, 1995). This establishes a direct link between employment relationships and the affective elements underlying social relations.

Lepak and Snell (1999) note that external partners and core employees frequently have co-specialized knowledge—that is, knowledge that can create value only through their combined efforts. Put differently, when they collaborate in the utilization of these knowledge assets, a synergistic value may be realized for both. Accordingly, such alliances cannot be sustained without reciprocity and trust among external partners and core employees. This trust facilitates knowledge sharing and simultaneously suppresses opportunistic behavior to withhold knowledge (Kale et al., 2000). In this way, firms create external relationships that emphasize both mutual investment and mutual benefits (Lepak & Snell, 1999). Thus, resilient dyadic trust helps to sustain these external relationships over time.

Although internal partners may develop resilient dyadic trust through personal experiences with core employees, they are more likely to develop generalized trust based on reciprocity expectations derived from organizational membership and norms. Furthermore, theorists suggest that virtually any employment relationship carries with it the supposition of conformity to organizational norms (e.g., Rousseau, 1995). In these instances, internal partners are likely to accord respect and discretion to, and thereby to develop generalized trust with, fellow (core) employees.

To summarize the discussion above, as shown in Figure 3, we can infer that core employees’ relationships with internal partners typically reflect the characteristics of a cooperative archetype, whereas their relationships with external partners reflect the entrepreneurial archetype. Specifically, core employees’ relationships with internal partners as a whole tend to be more structurally dense, based on generalized trust and organization norms, and connected and integrated not by common expertise but, rather, by the architectural “blueprint” of organizational

FIGURE 3
Relational Archetypes in the HR Architecture
coordination. In contrast, their relationships with external partners tend to be more sparsely populated and loosely connected, based on dyadic trust born through personal experience, and connected via common areas of expertise.

Lepak and Snell’s model of the HR architecture provides a starting point for managing relational archetypes, but it does not completely capture some important strategic decisions that drive organizational learning and value creation. In fact, firms sometimes make alternative strategic choices about the nature of relationships and exchanges, cultivating close ties with external partners that reflect the cooperative archetype. Many examples in the literature show that firms may enjoy strategic benefits (e.g., efficiency gains and in-depth knowledge transfer in the product development process) of close cooperative relationships with suppliers in the garment (Uzzi, 1997), automobile (Clark & Fujimoto, 1991; Dyer & Nobeoka, 2000; Takeishi, 2001), and contract R&D (Reagans & McEvily, 2003) industries.

These examples are noteworthy in three respects. First, they reflect firms’ unique strategic decisions. They accord advantages to those firms relative to competitors because they depart from the norm. Second, these alternative relationships do not occur naturally in the context of the HR architecture to manage knowledge stocks; rather, such relationships may be derived from explicit, additional efforts to manage knowledge flows. Third, they are essentially exceptions that “prove the rule” for value creation. When relationships between core employees and external partners are managed as cooperative archetypes, they begin to look and act like those found between core employees and internal partners, and to confer the strategic benefits of exploitative learning (rather than exploratory learning).

MANAGING RELATIONAL ARCHETYPES

In this light, we need to extend the HR architecture by suggesting how HR practices focused on managing knowledge flows—apart from knowledge stocks—can support relational archetypes in both internal and external networks in order to support a firm’s strategic choices (whether they are alternative to or aligned with the HR architecture context) that drive value creation. For example, some research has emphasized that certain HR practices can be intentionally targeted toward managing social relations among employees and that these practices are distinct from those targeted toward managing human capital (Dyer & Nobeoka, 2000; Gant, Ichniowski, & Shaw, 2002; Gittell, 2000; Leana & Van Buren, 1999; Nahapiet & Ghoshal, 1998; Takeishi, 2001). This means that HR practices can be strategically used to support relational archetypes in both internal and external relationships and that such practices may either support the natural alignment or influence an alternative alignment (e.g., external cooperative relations) of the archetypes. Figure 4 summarizes two unique bundles of HR practices that are aligned with cooperative and entrepreneurial archetypes in either external or internal relationships of core employees.

In devising these two alternative bundles of HR practices, we have made several considerations. First, the HR practices do not expand to all employee groups involved but simply focus on helping core employees interact and build relationships with others (i.e., internal and external partners)—indeed, it is practically difficult to coordinate separate HR practices (for external partners) across firm boundaries. In other words, the HR practices help firms develop particular relational archetypes by increasing core employees’ opportunity to access others’ knowledge through interaction, by building desirable affective properties (motivation and trust) in relationships to mobilize knowledge from others, and by improving employees’ ability to combine and integrate others’ knowledge. Second, much HR research has suggested that HR practices can be clustered in the same way around opportunity, motivation, and ability, based on a classic premise that performance is a function of the three (e.g., Batt, 2002; Becker & Huselid, 1998; Huselid, 1995). Specifically, the three HR dimensions are described as (1) the design of work structures that determine the content, breadth, interdependence, and autonomy of jobs, conditioning employees’ opportunity to interact with others for task accomplishments; (2) the incentive structure that includes pay, performance appraisal, and employee security, providing a mechanism to influence employees’ motivation to search for and absorb new knowledge; and (3) skill development through staffing and training to affect employees’ ability to understand and combine new knowledge.
As shown in Figure 4, while each of the three HR dimensions may be linked more strongly to a particular dimension of the relational archetype, we do not argue that it is only linked to one particular dimension of the latter. In fact, as discussed below, various HR practices may have multiple effects. Finally, we have followed the configuration approach that HR practices reinforce and complement each other as a coherent system to improve organizational performance (Delaney & Huselid, 1996; Delery & Doty, 1996; Guthrie, 2001; Ichnciowski, Shaw, & Prennushi, 1997; Snell & Youndt, 1995; Wright & Snell, 1991).

Managing the Cooperative Archetype

Managing the cooperative archetype may be facilitated by an HR system represented by (1) interdependent work structures, (2) clan-fostering initiatives, and (3) broader skill development.

**Interdependent work structures.** Strong and dense connections can be developed and maintained by interdependent work structures among core employees and internal/external partners. Specifically, team-based production that requires reciprocal interdependence can help enhance the interactions among core employees and internal/external partners, leading to mutual adjustment and close coordination (Delaney & Huselid, 1996; Gittell, 2000). Similarly, job rotations among core employees and internal/external partners can strengthen ties and facilitate knowledge transfer. Dyer and Nokeoka (2000), for example, discuss the rotational schemes used by Toyota and its suppliers to share knowledge and strengthen their network ties (cf. Gant et al., 2002; Nonaka & Takeuchi, 1995). Related to this, another approach for en-
hancing partner connections is to expand staffing patterns to include external partners. Research has shown that personnel movement is an important mechanism for building relationships and transferring knowledge among firms in such industries as accounting (Pennings, Lee, & van Witteloostuijn, 1998), biotechnology and pharmaceuticals (Powell, 1998), and chemicals (Song, Almeida, & Wu, 2003).

These same rotational activities have the effect of increasing architectural knowledge among internal/external partners and core employees (Gant et al., 2002; Leana & Van Buren, 1999). Similarly, in cases where organizations have reorganized to focus on horizontal processes rather than functional specialization, core employees have gained a better perspective of how their activities relate to others in the value chain (Brown & Duguid, 2001; Hammer & Stanton, 1999).

Clan-fostering initiatives. Generalized trust between core employees and internal/external partners can be enhanced through clan-fostering activities that strengthen shared goals and values (Goold & Quinn, 1990; Snell, 1992). For example, selecting partners based on organizational fit or alignment with organizational values helps to ensure that there are common motives and expectations across interdependent parties. Snell (1992) and Snell and Youndt (1995) found that this is especially important in those situations where behavioral protocols cannot be spelled out in advance. To support this, socialization programs and efforts to build communities of practice may also reinforce the idea that core employees and their partners stand to gain more by working together than they do by operating in isolation.

At times, initiatives to engender generalized trust can be reinforced by performance management systems that emphasize collective achievements (Leana & Van Buren, 1999). For example, team-based appraisal systems and multirater (360-degree) feedback have been shown to strengthen the sense of contextual performance and mutual reliance (Conway, 1999; Day, 2001). Similarly, participative goal setting, rights of redress, formal grievance procedures, and the like are all ways to more broadly enhance organizational support that encourages generalized trust (Gittell, 2000; Orlikowski, 2002; Wayne, Shore, & Liden, 1997).

Collective reward systems (e.g., gain sharing, profit sharing, stock ownership, etc.) can reinforce generalized trust based on mutual goal orientation (Bae & Lawler, 2000; Huselid, 1995; Ichniowski et al., 1997; MacDuffie, 1995). For example, if core employees are rewarded according to the overall performance of their external alliance team, as expectancy theory (Vroom, 1964) suggests, they may be motivated to develop norms and goals with external partners to improve the team's performance. Thus, collective reward and performance management systems would contribute to developing generalized trust between core employees and external partners based on shared norms and goals (cf. Gittell, 2000; Orlikowski, 2002; Wayne et al., 1997).

Broader skill development. Common architectural knowledge can be built through the cross-functional and process-based work arrangements discussed above. In addition, staffing and development practices can encourage core employees and internal/external partners to focus on broader organizational issues. As we noted, selecting individuals based on organizational fit provides the advantage of inculcating common values. This practice also has the potential benefit of encouraging them to focus beyond their immediate jobs (Hargadon & Sutton, 1997). Similarly, long-term partnership contracts may not only increase employees’ commitment and loyalty but also prevent learning networks from being quickly destroyed with their displacement (Dyer & Nobeoka, 2000).

Training and development practices also provide effective mechanisms to build architectural knowledge among core employees and internal/external partners. Extensive orientation and socialization programs are typical development practices that help employees and partners understand and internalize the unique value, goals, history, and culture of the firm and share tacit knowledge, including cognitive schema (Feldman, 1989; Nonaka & Takeuchi, 1995). Similarly, mentoring and on-the-job training enable them to build strong social and cognitive connections (Gittell, 2000; Mullen & Noe, 1999; Orlikowski, 2002). Other organizational development techniques, such as team-building activities and group training, can help to expand and integrate the mental models of internal/external partners and core employees (cf. Nonaka, 1994; Wright & Snell, 1991).
Managing the Entrepreneurial Archetype

In contrast to the cooperative archetype, the essence of the entrepreneurial archetype is the identification and exploitation of new ideas through flexible social relations. Accordingly, HR practices supporting the entrepreneurial relational archetypes are targeted at creating an infrastructure that not only provides the flexibility needed for network creation but the mechanisms that encourage and reinforce its development. Those HR practices include (1) flexible work structures, (2) result-based incentives, and (3) transspecialist development.

**Flexible work structures.** The design of flexible work structures and temporary project teams helps to engender diverse and transitory connections among core employees and their partners. Specifically, temporary assignments within and across firm boundaries may not only provide core employees with the opportunities to interact with a variety of internal/external partners, but those practices can also stimulate their networking motivation to form valuable connections that act as conduits of knowledge exchange in the future (Reagans & Zuckerman, 2001).

In cases where jobs are broadly defined, allowing discretion and self-direction, core employees are likely to build networks with a variety of internal/external partners in order to address problems and opportunities that arise contemporaneously (Gant et al., 2002; Lepak & Snell, 1999). Drucker (1999), for example, makes the case that self-directed work typical of knowledge workers not only leads to more creativity and innovation but also provides the fertile ground for exploratory learning and network building. In addition, cross-functional (or cross-organizational) teams provide core employees with opportunities to interact with colleagues in different functions and practices and, thus, to access various knowledge domains and expertise (Clark, Amundson, & Cardy, 2002).

**Result-based incentives.** The behaviors required to obtain and mobilize knowledge are difficult to identify and standardize a priori (Adler & Kwon, 2002; Coleman, 1988). Further, reciprocity norms in relationships among core employees and internal/external partners do not develop unless the results obtained through cooperation are appropriately rewarded. In these instances, result- or output-based systems are more useful in managing and rewarding joint contributions (Snell & Youndt, 1995). Particularly in view of the fact that dyadic trust, which typifies the entrepreneurial archetype, is developed through personal experience, these systems would more likely reinforce the principles of codetermination. Several compensation and appraisal practices may provide effective mechanisms to enforce result-based controls.

As Leana and Van Buren (1999) note, individual incentives may stimulate employees’ motives to build varied relationships for exploratory learning (Edmondson, 1999), while discouraging social loafing that is considered an inherent problem in group-based incentives. Nevertheless, these types of reward systems may have the unintended consequence of encouraging employees to act only in their own interest (perhaps to the detriment of the whole) or ruining their intrinsic motivation (Deci, Koestner, & Ryan, 1999). The potential advantages of individual incentives may be best leveraged when incentives are accompanied by the acquisition of knowledge or new ideas (e.g., pay-for-knowledge or pay-for-reputation), which may motivate core employees to acquire a broad set of knowledge and skills by various social connections within and across the firm and to apply it to organizational operations (Gant et al., 2002; Hargadon & Sutton, 1997; Snell & Youndt, 1995). These types of incentives may also institutionalize an organizational culture emphasizing “creative abrasion” by encouraging core employees to constantly contrive how new and even conflicting ideas can be productively linked to performance (Leonard-Barton, 1995).

**Transspecialist development.** Specialized knowledge between core employees and internal/external partners may stifle common understanding that facilitates learning capabilities. In this light, scholars such as Leonard-Barton (1995) and Iansiti (1993) argue that transspecialist knowledge (often referred to as T-shaped skills or simply multiskilling) is a key aspect of common component knowledge. Specifically, core employees with transspecialist knowledge are not only able to develop deep knowledge in their own particular task domains but are also able to understand the interfaces between their particular task domains and others’ task domains to explore various applications in particular products. Accordingly, the practices for transspecialist development provide effective
mechanisms to enhance core employees’ understanding of different specialized knowledge from their partners.

Core employees’ transspecialist knowledge may be enhanced through multiple career (or generalist) development practices that help them experience various job opportunities, beyond the boundaries of a single expertise. Such development practices include group training (Moreland & Myaskovsky, 2000) and cross-training or job rotations (Hargadon & Sutton, 1997). The use of archival-based mechanisms such as know-how reports and electronic databases to retain component-specific knowledge may supplement the development of core employees’ transspecialist knowledge by helping them to recognize the explicit knowledge internal/external partners possess (Takeishi, 2002). These practices that develop transspecialist knowledge can be maximized when they are accompanied by practices, as discussed earlier, that motivate core employees to recognize and accept the value of knowledge conflicting with their current knowledge (King & Ranft, 2001; Leonard-Barton, 1995).

DISCUSSION AND CONCLUSION

We have assumed that human resources contribute to improving a firm’s ability both to explore and exploit knowledge through maximizing the value embodied in social relations between core employees and both internal and external partners. In this paper we have drawn on three unique dimensions—structural, affective, and cognitive—of relationships that may play complementary roles in facilitating organizational learning by synthesizing the extant literature on social relations. We have argued that alternative forms of each dimension can be theoretically conceived to create an expected value and that unique configurations of the three dimensions result in two alternative relational archetypes—entrepreneurial and cooperative. Specifically, the entrepreneurial relational archetype refers to social relations characterized by weak and nonredundant social connections, resilient dyadic trust, and common component knowledge among relational parties. The cooperative relational archetype consists of social relations characterized by strong and dense social connections, generalized trust, and common architectural knowledge among employees. We have extended the HR architecture by highlighting how it conditions the natural development of the particular relational archetypes in internal and external relationships of core employees. We have also identified two unique bundles of HR practices to support either the entrepreneurial or cooperative archetype.

Contributions

This paper makes several important contributions to the literature on strategic HRM, social relations, and organizational learning. First, while human resources have been conceived of in terms of human capital or knowledge stocks, little effort has been made to identify the social relations among employees that provide the mechanisms to facilitate efficient knowledge flows and organizational learning as the source of value creation. This paper has provided insight into the potential value of social relations of employees within and across firm boundaries by providing a theoretical framework of value-creating relationships. Specifically, we have addressed how firms can renew knowledge stocks by managing the knowledge flows across the different employee cohorts found in the HR architecture, accompanied and supported by particular HR practices.

Focusing on social relations also has helped us link HR practices to competitive advantage and performance. While many HR researchers have found positive linkages of HRM to competitive advantage and firm performance, the processes found in those linkages have still been thought of as a “black box” (Becker & Gerhart, 1996). Our framework delineates the processes by which HRM facilitates relational archetypes, which, in turn, support organizational learning that helps firms to achieve continual growth, strategic renewal, and innovation. In addition, by highlighting the linkages of HRM with organizational learning, this paper contributes to expanding our understanding of how HRM can potentially drive flexibility and internal efficiency together by enabling the balanced pursuit of exploitative and exploratory learning.

This paper also contributes to uncovering how multiple facets of social relations work together as a system to create value. While several researchers (e.g., Adler & Kwon, 2002; Nahapiet & Ghoshal, 1998) have identified multidimensional characteristics of social relations and
their complementary roles in creating value, our potential contribution lies in identifying alternative combinations—or patterns—of those dimensions. As a result, we present relational archetypes as logically linked coherent patterns of the three dimensions, each of which might facilitate either exploitative or exploratory learning.

As we consider the possible contributions of this paper, one area of concern might be the potential for opportunistic behaviors (e.g., knowledge leakage and free-rider problems) of external partners involved in knowledge exchange, particularly in situations where there is no formal mechanism to govern their behavior. Relational archetypes provide several likely assurances obviating this situation. First, concerns over knowledge leakage might not be applicable to organizations in which knowledge stocks need to be upgraded continually to avoid obsolescence. By the time an outsider is able to utilize leaked information, the firm that originally had the knowledge may be using new and different knowledge (Matusik & Hill, 1998). Second, Matusik and Hill also suggest that, typically, only the host firm holds the architectural knowledge for how the components combine. Thus, an outsider might appropriate component knowledge but not have the broader combinative capability to utilize it for competitive advantage (Kogut & Zander, 1992). Further, the dense social interactions (Krackhardt, 1992) or nonredundant relationship structures (Burt, 1992) and trust-based relationships (Kale et al., 2000) found in relational archetypes have been shown to suppress opportunistic behaviors of external partners that might lead to knowledge leakage or free riding by enabling core employees to effectively monitor and coordinate their partners. In sum, the structural, affective, and cognitive attributes of relational archetypes in external networks might replace any formal mechanisms to coordinate external partners’ behaviors.

Another contribution of this paper is in terms of how companies might simultaneously manage exploratory and exploitative learning. This difficulty arises because organizations have few mechanisms (incentives, structures, etc.) available to avoid the trap of focusing on one or the other (Levinthal & March, 1993). This paper suggests that such traps might be avoided by having mechanisms in place through which core employees simultaneously pursue exploratory and exploitative learning by building differentiated relationships within and across firm boundaries.

Future Research

The conceptual framework we have developed also offers several directions for future research. First, we have argued that entrepreneurial or cooperative relational archetypes may be applicable for either internal or external relationships. We have addressed how different HR practices (i.e., Lepak and Snell’s HR configurations and ours) might support relational archetypes for such alternative strategic designs. However, we have not further explained why a particular relational archetype is more common or emphasized in internal and external relationships. Hence, the strategic driver for firms to pursue one or the other configuration of relational archetypes should receive further attention.

Second, future research might explore the evolutionary processes of relational archetypes in internal and external relationships. For example, weak and sparse social connections and dyadic trust in social relations may evolve into strong and dense social networks that are formed in the early stages of firm growth may evolve into weak and sparse networks as firms grow (Hite & Hesterly, 2001). Also, generalized trust could influence dyadic trust because it might be instrumental in bringing people together. In other words, after working together in the same organization over time, individuals may develop the experience-based confidence in one another that leads to dyadic trust. This evolution of relational exchanges may proceed naturally, but firms also need to make proactive decisions to develop relationships that are appropriate for their dynamic environments.

Third, we have discussed how core employees might develop both entrepreneurial and cooper-

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2 We are grateful to the anonymous reviewers regarding these issues.
ative archetypes in internal and external relationships. This raises a legitimate question regarding whether core employees involved simultaneously in both forms of relationships experience any form of internal conflict. For example, if we think about our own relationships with different colleagues and friends, this is the case. But it is also true that such internal conflict could be minimized when these different ties are with separate groups (i.e., internal and external partners). Furthermore, several scholars such as Burt (2001) and Uzzi and Lancaster (2003) have argued that these different types of relationships may not lead to internal conflict but, rather, may be used complementarily. However, considering the relatively few discussions about this in the current literature, we cannot deny the possibility that the coexistence of two different types of ties might create internal conflict. Indeed, this issue requires further study.

Fourth, this paper focuses on how core employees effectively search for and acquire new knowledge from internal and external partners. An appropriate follow-up question concerns how core employees actually integrate new knowledge into organizational activities once they acquire it from those sources. Considering the nature of their human capital as “firm specific,” the employment mode as “internalized,” and the employment relationships as “relational” in the context of the HR architecture, core employees are likely to develop the cooperative relational archetype among themselves. However, it is possible to see that some organizations develop the entrepreneurial archetypes even within core employee groups, as in the network-type organization as a loosely coupled system (Snow, Miles, & Coleman, 1992). This presents an interesting issue for future study.

Fifth, while this paper addresses how valuable social relations might be constructed or enhanced, future research may look at how non-desirable social relations can be diminished, deconstructed, or modified. For example, Dougherty (1992), Leonard-Barton (1995), and Hargadon and Fanelli (2002) have argued that prior overlapping knowledge can also act as core rigidity to prevent the organization from bringing about new knowledge or ideas. Thus, the destruction of certain relational exchanges may be as important as their construction. In a similar vein, Lado and Wilson (1994) argue that competence-breaking HRM may be as important as compe-

tence-enhancing HRM in sustained competitive advantages through HRM. Based on these views, research is needed that addresses how firms can utilize HR practices to break particular forms of social relations.

Finally, we have argued that different HR bundles are likely to support each relational archetype. In the current strategic HRM literature, however, the specific effects (e.g., additive or multiplicative) of combining HR practices remain to be resolved. For example, do some of these HR practices send conflicting messages to employees on which types of relationships create value? Likewise, are there compromises that need to be made in terms of taking out or adding in certain HR practices? In this light, future research might be able to provide specific answers regarding how individual practices might affect the relational archetypes.

Conclusion

In today’s knowledge-based economy, innovation and learning are vital for firm value creation. Myriad researchers have pointed out that firms not only develop strategies based on core knowledge and capabilities but also work to acquire, transfer, and integrate new knowledge to create value in dynamic environments. These processes—generally referred to as organizational learning—can originate from sources both internal and external to the firm, and they are essential for enhancing the firm’s core knowledge base. It is in this sense that we have argued that managing social relations (i.e., relational archetypes) is instrumental for learning in the firm. By drawing some logical connections that link organizational learning, social relations, and HRM, we have contributed to developing a framework that explicates how firms might strategically manage their employees to create new value.

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