

# Globalized Management and Tacit Knowledge Role in Human Resources Development, “Franchise Companies as an Empirical Study”

Asma Alsaleh

College of Business Administration, Taibah University, PO box 344, Medina- kingdom of Saudi Arabia  
 E-mail of the corresponding author: asma\_abuwafa@hotmail.com

## Abstract

This study aimed to investigate the role of tacit knowledge in human resource development in franchise companies according to the globalized management concept through identifying how far is the perception of employees, working in franchise companies in Jordan, of using tacit knowledge and its characteristics and how far its impact on human resource development is?. It aimed also to set a proposed conception for human resource development through using tacit knowledge approach in such companies according to the globalized management concept. Study problem was represented in an attempt to answer the following question: “Does tacit knowledge has a role and an impact on human resource development according to the globalized management concept in franchise companies? In this study, the descriptive analysis approach has been used, where the study population was consisted of franchise companies located in Amman. Study sample was a random sample of 15 companies where 150 questionnaires were distributed, 120 questionnaires of which were collected and met the conditions for analysis, i.e. The response rate was 80%. The study concluded a set of results as follows: tacit knowledge has in terms of use, application and characteristics an impact and a role on human resources development under—globalized management concept in franchise companies, and the relationship between study variables is positive strong one, and there are no differences between study sample regarding the use of tacit knowledge, its characteristics and human resources development and globalized management concept due to the following variables: (education level, years of experience, and job level)

**Keywords** :Globalized Management, Tacit Knowledge, Human resources, and Franchise companies

## 1. Introduction

As culture needs to cope with the growing trend of globalization, we have discussed the so-called globalized management due to its importance. Management, in particular business administration, is affected by the surrounding variables and changes including globalization and its concepts. Such impact is seen theoretically and practically. As for theoretical level globalization has eliminated geographical boundaries which generated the so-called international strategy for multinational companies, or exporting companies. On the other hand, the differences facing organizational behavior theories that created management concept based on positions were eliminated. Since management that was built on basics of difference in environment, work climate and individuals’ mentalities across countries and regions became based on fragile rules. The visible reason behind this was attributed mainly to the Internet, global language as well as the capabilities and the communication techniques that have made understanding and close contact a possible fact. There is no longer a need for different theories formation to interpret managerial concerns that become common and universal in light of close globalization, rather than difference and variance globalization.

Management theories, which sanctify professional structure in terms of automatic professional and occupational and otherwise other concepts, reclined before all of this for revealing new globalized theories instead that highly emphasize the information and communication impact, remote work and technology based flexibility, as well as the impact of globalizing concepts such as electronic commerce, information and virtual organization, the Web, the network, the sites and others. At the same time, manager role has become not significant since information technology replaced it. It allows data collection and analysis of large amount of data by pressing a one button. Even perfect decision making process became automatic. (Al-Otaibi, 2000)

This led companies and in particular franchise companies to face the increasing pressures towards change and development, at a time where management and organizing methods became renewable, and as knowledge occupies an important position in the economy and contributes to its orientation. This what pushed directors and decision-makers of such companies to adopt developed strategic attitudes for adaptation with the economic openness and the informational revolution requirements. This should be achieved through adopting advanced methods and practices which are concentrating on changing the organization's work structure through giving priority to intellectual capital development through its development and paying attention to renewal and innovation with creation of appropriate working environment meeting the organization’s goals based on knowledge and technology and using it to develop its capabilities.

Therefore, this research aims, in light of these changes and the large dependence on immaterial assets

represented by an organization's possessed knowledge, in particular tacit knowledge rooted inside individuals, to try understanding the role that could be played by tacit knowledge in human resource development in franchise companies under globalized management concept.

### *1-1 Study Importance*

The study importance stems from the topic importance represented by the following:

- 1) Tacit knowledge importance is attributed to the fact that the knowledge of any organization will lose its value as soon as it is encoded, stored or once it is distributed in guides and work documents. Therefore, organizations strives to keep knowledge secrets and knowledge core that has been innovated by itself, and encoding only small part which does not threaten organization interests. Hence an organization must accurately identify tacit knowledge styles that must be attracted which are owned by the most important assets within an organization represented but human resources. If such element received the required interest and developed, it may help organizations to achieve their intended goals. (Yassin, 2007: 78-89)
- 2) The subjective nature of tacit knowledge as well as its modeling difficulty and transfer it to others made its imitation difficult, which gave this knowledge type a competitive advantage and a constant source of excellence with respect to organizations. This is what, for example, multinational organizations are characterized of. Even if an attempt to imitate it was made, it will not be at the same level and quality. There are many examples of best proof of this, such as fast-food chain, car manufacturing companies, international hotels, as well as software companies and many others. (Yassin, 2007: 78-89)

### *1-2 Study Statements and its Questions*

The study statement is by the idea represented that most organizations are facing an issue of how to deal with, promote, develop, maintain and attract human resource, and to select the appropriate and adequate management techniques to manage it in this age, knowledge-society based age, based on global openness. Where it became necessary for all organizations to pay attention to this issue. Since this source became of its most important assets represented by its intellectual capital and the best way to develop it is to exploit its knowledge, in particular tacit knowledge, through trying to invest and earn it in various ways.

Based on the above, the study statement is represented in an attempt to answer the following question: "What is the role of tacit knowledge in human resource development in franchise companies under globalized management concept?"

The study provided the following sub- questions as an attempt to understand the study statement:

- Does Franchise Company "the study sample" realize to what extent does it use and apply tacit knowledge?
- What are the characteristics of tacit knowledge possessed by franchise company "study sample" and what is its impact on human resource development?
- What is tacit knowledge role in human resource development in Franchise Company" study sample"?
- Is the franchise company "study sample" staff aware of globalized management concept?

### *1-3 Study Objectives*

This study aims to identify the following:

- Tacit knowledge role in human resource development in franchise companies under globalized management concept
- Perception of all the levels of the employees in franchise companies of globalized management concept, and their awareness level of using and applying tacit knowledge at their company.
- Investigate tacit knowledge characteristics which franchise companies staff have, and to find out the impact of these characteristics on their development.
- A proposed conception for human resources development through using tacit knowledge approach in such companies "franchise companies" under globalized management concept.

### *1-4 Study Hypotheses*

#### **First main hypothesis:**

There are no statistically significant differences in study sample views regarding tacit knowledge use according to the following variables: education, years of experience, job level (director general and his deputy / section head / employee)

#### **Second main hypothesis:**

There are no statistically significant differences in study sample views regarding tacit knowledge characteristics according to the following variables: education, years of experience, job level (general director and his deputy /

section head / employee)

**Third main hypothesis:**

There are no statistically significant differences in study sample views regarding tacit knowledge role in human resources development according to the following variables: education , years of experience, job level (director general and his deputy / section head / employee )

**Fourth main the fourth major hypothesis:**

There are no statistically significant differences in study sample views regarding the globalized management concept due according to the following variables: education, years of experience, job level (director general and his deputy / section head / employee).

*1-5 Previous Studies Compared to This Study*

**Sarnovičs, (2010):“Human Resource Development in Public Sector’s organizations in Latvia: strategic approach** The study aimed to analyze the disadvantages (barriers) of human resources management that prevent public sector in Latvia to achieve the strategic goals. The study also examined the factors affecting intellectual skilled workers. The study concluded that there is a need for principles to be used in human resources development strategies of public institutions and organizations and in the management methodology of intellectual skilled workers, to effectively improve employee’s productivity processes and civil service development within public sector. Therefore, it is necessary to establish a strategic approach to personnel management for each organization of public sector.

**Watanuki (2008) study entitled: “Virtual Reality Based on Job Training and Human Resources Development for Mining & Steel Plants ‘Skilled Workers** The study proposed a new virtual reality for job training and human resource development for skilled employees in casting plants. The idea of this system is based on displaying education contents through virtual environment, whereby the trainee learns through virtual site explains mining necessary operations. This system, however, consists of two major systems help user to acquire theoretical knowledge and practical skills. This system, however, has many advantages such as: that the worker can virtually learn work progress and flow in the plant before he performed it actually at worksite. He can also learn the work procedures in advance as well as risks throughout work process, and this may help beginner trainee.

**Pathirage, et al, (2007), “Tacit knowledge and organizational performance: from construction industry perspective**This study aimed to examine the importance of tacit knowledge in construction industry and its impact on the organizational performance. It is a theoretical study that explained researchers’ knowledge insight, an organization’s resources and tacit knowledge strategic nature. It showed also the characteristics of construction industry in the United Kingdom and described the factors affecting individuals and tacit knowledge role. The study concluded that knowledge plays a major role in the changing business environment and contributes significantly to business performance continuity. In addition, tacit knowledge is based on skills, experiences and talent the individuals have, which should be taken into consideration .The study also showed the significant role of tacit knowledge in connecting organizational performance with competitive advantage.

**Bartktj & et al, (2002): “Differences in International Human Resources Development among Domestic Firms and Multinational Affiliates in East and Southeast Asia”.** This study aimed to examine the effects of human resources development practices within multinational corporations and domestic organizations in East and Southeast Asia. Concern was emphasized on examining the most important characteristics to determine human resource development practices among multinational and domestic organizations. To achieve this goal, four scales of human resources development activity in organizations of the “study sample” have been analyzed, two of which were related to examine long and short-term training practices, wherever the other two are related to the degree of human resources development for the annual basis employees (employees for each year, number of working hours for employee per year) devoted to human resources development activities .The study, however, found that there were significant differences in human resources development activity, based on country of origin were among multinational and domestic organizations. The study also found that there were significant relationships of human resources development degree, but not in form or type and that most varied and multi differences were due to the diverse countries of multinational corporations and the reason for these differences is was culture, development level, workforce education level, and the role of political and legal forces.

**Ellis (2000) “Strategic Areas, Knowledge and Competitiveness flows of multinational companies: justice procedural approach”** This study focused on the relationship between strategic areas, and appropriate process in decision-making, and the characteristics of the perception of procedures equality within multinational corporations (MNC). It is a theoretical study that introduced a preliminary framework to collect these structures in order to improve understanding level of the competitive advantage sources within these companies to the extent that it keeps matching between the strategic areas and procedural equality and creating the of knowledge of which in such a manner lead to a significant competitive advantage.

## 1-6 Study Terminology

### 1-1-6 Tacit Knowledge Concept:

Tacit knowledge is a concept that can be simply described by using brief terms, but it can be deceptive even more when a researcher tries to describe it within a tangible applicable definition. There have been many attempts to define tacit knowledge such as Foray (2000) who said that tacit knowledge is subjective, circumstantial and its implementation requires togetherness and coordination. Thus, the more the knowledge is implicit, the harder it is to be converted and shared. Traditionally, knowledge has also an important implied dimension which makes the process of search, access, transport, storage and exchange difficult and sometimes impossible.

Yassin (2007), on the other hand, said that tacit knowledge is the unwritten knowledge stored in the mind of individuals and existed in their souls, it is the knowledge which the mind saves and the human memory contains and tries to remember through the known mechanisms of thinking. It is the encoded unwritten knowledge, and it is more likely to be the silent knowledge acquired and saved in mind. (Yassin, 2007: 37).

Wig (2003) considered this knowledge as the one related to what lies in the individual's soul of technical, cognitive and behavioral knowledge, which cannot be easily shared with others or transferred to them. Thus, we can say that there are distinct individuals who possess tacit knowledge in their minds, and the organization can increase its effectiveness, achieve outstanding performance and enhance its competitive advantage if it succeeded to involve any of these individuals in its crew, if the tacit knowledge of these individuals is related to the nature of the organization's work. (Wig, 2003: 11)

According to Abboud (2005, pp: 44-45), Nonaka has defined tacit knowledge as being the informal subjective knowledge, expressed by using qualitative and intuitive methods that cannot be transferred nor taught.

While Spender (1996, P.56) pointed that tacit knowledge does not mean the knowledge which cannot be coded ; but it does mean that there are a number of dimensions that cannot be fully declared ; whether they are embodied in physical or cognitive abilities.

(Nonaka) indicated in one of his studies of tacit knowledge that tacit knowledge has two dimensions; one includes professional knowledge which contains movements, hand cycles, and difficult experiences that must be described, and the second dimension includes our mental models, our beliefs and our view to reality or truth and to the future. Acceptance of the importance of tacit knowledge means the acceptance that the organization is a living system, in which knowledge includes sensations, ideas, thinkers, values, feelings, images, and symbols. Creating knowledge as a system can make the tacit knowledge clear and evident and can have direct effects on the model of the organization and the design of the roles of its managers.

The organization has many tangible and intangible resources, and has a lot of job opportunities, has the ability to make profits and benefits as well as the ability to deal with limitations and restrictions. It is more important that the organization has knowledge of the characteristics of those resources and the methods of assimilating them and using them to serve the objectives of the organization. Having this knowledge allows the organization to distinguish between the knowledge economy and the information economy which noticeably expresses the conditions of competition and economic growth - all of this falls in the frame of knowledge management that encourage managers to identify strategic objectives related to creativity and innovation to survive and compete.

**Tacit knowledge characteristics :** Tacit knowledge characteristics are divided into many categories including: Knowledge personal Appearance which includes:

- **Personal knowledge** where tacit knowledge is considered as part of individuals understanding. As long as it is linked with a person, it becomes implicit understanding and can be shared with others. Such sharing of tacit knowledge is often understood as a group or an organizational knowledge (Johnson, 2007:126)
- **Increase of efficiency:** Wong & Radcliffe (2000:506) suggested that efficiency is improved by several consecutive attempts

**Environmental Appearance of Knowledge:** It includes:

Environmental accreditation which arise when individuals interact in a certain position.

Confidence in human relations where these relations are associated with used knowledge regarding individuals as well as to achieve human factors in various conditions

**Available Knowledge Skills,** which includes:

The ability to describe and percept: this means that tacit knowledge is the procedure or the actual act when there is a need for drafting an organized process of perceptions.

The availability of differentiation sense which indicates the knowledge resulting from opinion or a point of view toward something specific.

Tact: in other words, the skills which include body language.

**Available Knowledge and expertise that include:**

The ability to distinguish and insight permanence, where it requires a differentiation ability to predict potential

problems and potential consequences achievement if the used standards for are appropriate "(Wong & Radcliffe, 2000:506-507) Reliance on a career path (i.e. personal experience) (Johnson, 2007:126).

### **1-2-6 Human Resource Development**

Phulpoto and Shaikh (2011) indicated that human resources development process became one of the most important functions of human resource management. However, these efforts require more than spending money. Rather, it requires a rapid change in our values, system, and our evaluation approach of human resources in their work environment, as well, in terms of an organization type and the way in which we consider management function, and in terms of the product or the service.

McLean and McLean (2001: 271) indicated that human resource development process is any process or activity, either if this process is at the beginning or at the long term and it have the ability to work on of knowledge basis, expertise, productivity and satisfaction, whether it is to achieve individuals benefits, groups or team or at organization level, community, the home, or even for humanity as a whole.

While Sambrook (2004) consider that human resources development term has derived its concept from three major dimensions: organizational theory, economics and psychology. Since organizational theory is focusing on learning and organizational change processes, as well as creating learned organization. While the economy dimension focuses on the investment in human capital. Whereas psychological dimension focuses on motivation, ownership and learning issues. In this context Javadin (2005) consider that human resource development is a development of individuals from all aspects, where development includes following aspects: work, social aspect, personal life, and cultural and spiritual aspects, (Allameh & others, 2012). Phulpoto & Shaikh (2011) agree with the above view, since they consider that the human resource development process includes many facts of human development that includes the following development intellectual forms: physical, social, emotional, moral, political, spiritual and other development forms.

Therefore the aim of this process is to develop skills so that individuals are prepared to achieve their better work, and high responsibility to maintain a well-established organization, (Phulpoto & Shaikh, 2011).

In this context, Šiugždinienė (2008) defined it as a process to facilitate long term work associated with the ability to learn at individual, group and organizational levels through organized and non-organized learning and non- educational activities in order to improve organizational performance. "Šiugždinienė (2008:p183).

Based on the above, it can be concluded that human resources development is "an increase in knowledge process, skills and abilities of workforces that are able to work in all areas, which are selected in light of the different tests conducted in order to promote their productivity competence level ,and it is the planned and continuous effort practiced by the administration in order to improve the performance level of the employees and organization performance development.

### **1-3-6 Globalized Management**

Globalization refers, to "the transition from private to public, from inside to outside and from local to global it is also managerial action aims and seeks the transfer of the world to the western life style. It is a concept greatly benefited from the comprehensive informational revolution for the purpose of people and goods free movement, and the replacement of interaction, dialogue competition instead of domination, exclusivity and monopoly.(Al-Ma'ani, 2011: p 43).

Therefore it means to make everything universal such as culture, organization, policy, law and economy. Even in some cases it reached customs and traditions – which is out of our topic- and everything that manage people's life and be a reason for their continued existence. Consequently, globalization needs to be managed, in order to have control over how to direct and control.

Globalization is one of the most powerful actual aspects of the new world order. It seeks to establish an opened global economic system without hindering borders or protection restrictions. So goods and products movement is free. Similarly, economic factors movement such as capital, human resources, knowledge, material and technology is also free. Therefore, it is free movement that moves towards integration of markets economic on broad basis includes the movement toward borderless world. Globalization term was commonly used to reflect forms of technological progress that make transactions completion and financial flows across the state quick and easy. So it indicates market forces spread over national borders to the same market in which was operating before. World markets growth helped in support and self- sufficiency determination through competition and labor division (specialization) that permits humans and economies to focus on what they can do better

Global markets also offer greater opportunities for people to enter in largest and most diverse markets in the world, so they can access to larger markets. So globalization leads to :

- elimination of national state boundaries .
- Increasing conflict and competition intensifying, its scope and area expansion
- Liberalization of legislations and commerce and Industry supporting methods

- Open borders and free movement (application of natural economists principle) "Let them free, let them pass," it is the foundation of success, this means that competitors should have an access to each other's markets. (Michel, 2003, p 1-13)

This situation imposed new position in front of organization management, based on the idea that management development of its principals and standards that it is familiarized with in dealing with narrow environment variables compared with the new environment in globalization context, where these standards and principals became highly flexible, since positions are not relative stable, but it is subject to continuous and sudden change. In this situation management capabilities and ability appear which should base its decisions on unstable events and facts. Successful management is that one which attempts to focus its efforts on continuous survey of reality at world level, and should accept instability and rapid changes in all environment variables, and it should respond to these changes rapidly.

Management is as the captain who leads the ship or aircraft to reach its destination, in a best way and short time, while maintain it and its products specifications.

Such comparison is to demonstrate that management with its principles and principals is one (ship / plane). However, dealing with position data by adopting these principals and basis shall be through these principals and basis according to management capacities and ability (captain). Management is fixed with its principles, where the basis is different in adapting these principles and basis and practice. As globalization makes organization's administration facing new positions with its data, so its success depends on its ability to deal with these data. However, the twenty-first century stemmed shifts that should be aware, and take into account to face the situation, among these shifts:

- Decline in Relative importance of traditional advantage sources.
- Increase of the cognitive component in the functions within changes in technology and customers requirements.

Therefore, the successful organization is an organization that is relying on innovation, ideas and creativity, where an organization can move from competition situation to monopoly. Innovation and creativity provide organization with monopolistic great opportunities such as Apple Company by introducing personal computer, Microsoft, Yahoo and Google ... and so many others. Monopoly provides organizations that cannot compete in this intensive competition with protection. (Solomon, 2012, pp. 22-36)

Based on the above, globalized management can be defined as follows: it is imparting management a global nature and making its application and scope its using field globally, so that management practices applied in such a country may not differ basically from those in other countries, but it can be adapted to each country circumstances and capabilities. Oftenly, the management role is successful in the field of multi-national corporations because such companies are concerned primarily with client's (customer) obtain of the same level of quality in any place he goes in the world, and the same service level, whether an organization is a bank, a hotel, a restaurant or a company.

From the foregoing it can be concluded that management is part of all, management is one of many components or elements, dimensions covered by globalization. Therefore, it is part of a whole.

#### **1-4-6 Franchise Companies Concept:**

Until now there is no standard and approved definition for Franchise Company. Some considered Franchise Company as a new contractual technique that aims to distribute products and services or manufacturing materials and products. According to this technique trade mark owner or distinguished mark or supplier (Franchisor) provide the other party the distributor (Franchisee) an exclusive franchise right in using his trade name, his trade mark, and sometimes his possessed patents, and technical skills (know / How), in addition to supervision and supportive business and technical (Show / How), for the purpose of distributing or manufacturing supplier products and services, and then marketing and selling them to third parties within the specified geographical scope for distribution or manufacturing the contract period, against Front Money and periodical commissions on total business (Royalties) paid by the distributor to the supplier (Shamas 1998, p 199).

Others considered Franchise contract as a contract whereby a person undertake (called franchisor) to teach someone else (called franchisee) practical knowledge (know / How) by authorizing him to use his trade mark and by providing him with goods. In contrast the franchisee undertake to invest this practical knowledge and use the trade mark import from the supplier (Jalul: 2001, p 19)

Somebody says that franchise contract is a managerial contract, under which a company is committed to manage public economic facility and utilize against fees paid by the beneficiaries. This contract is subject to basic rules that govern public utilities course, as well as the conditions set out in franchise contract. So franchise includes all agreed contracts between private and public sectors that give a private company the right provided by the government to render a service on agreed terms. Specifically franchise is a project managed by private sector, while the assets remain as state property. However, the private sector shall be responsible for project management and to ensure the existence of actual assets and maintenance. (Sharkaoui, 1995, p 12, Tmawi

0.1984, p 108).

### **Proposed model shows the relationship between Tacit Knowledge and Human Resource Development in the light of the Concept of Globalized Management**



Figure 1. Study model  
Source: Prepared by the Researcher

## **2. Study Methodology**

Descriptive analysis approach has been used in this study.

*2-1 Data Resources:* The researcher relied on the following sources:

- Secondary resources: These sources included Arab and foreign references that addressed franchise companies, tacit knowledge and human resource development.
- Primary resources: primary resources are represented by the field study based on questionnaire which was used to provide appropriate data to investigate the use of tacit knowledge, characteristics and human resource development and globalized management in franchise .

*2-2 Identification of Study population and sample size*

The research population consists of all franchise companies located in Amman. A random sample consisted of 15 companies has been selected, including those working in fast-food, international hotels, computer, international brands, construction, airlines, and banks from all managerial levels.

*2-3 Study Tool:*

Study tool was developed in the form of a questionnaire consisted of two parts:

1. Preliminary data, including: sex, qualification, years of experience, and job level.
2. The role of tacit knowledge in human resource development scale in a Franchise Company in light of globalized management concept which consisted of the following:
  - The knowledge use which included questions (1-7)
  - Knowledge Characteristics which included questions (8-14)
  - Human resource Development which included questions (15-20)
  - Globalized Management concept which included questions (21-23)

Five points Likert scale was used in designing this section. It consists of (23) paragraphs the with following the options (strongly agree, agree, neutral, disagree and strongly disagree), with the following weights (5, 4, 3, 2 and 1). Thus, if the mean is high this means that the agreement of respondents is high.

*2-4 Response Rate*

150 questionnaires were distributed over the study sample, 135 questionnaires has been collected, where 15 questionnaires were disregarded because they were invalid and thus the total valid questionnaires for the

analysis were 120 questionnaires representing 80% response rate.

*2-5 Internal Consistency between Scale Items (study tool reliability)*

Alpha Chronbach coefficients were calculated for internal consistency between attitudes scale paragraphs. Since Cronbach’s alpha coefficient value was (92.4%) which was considered an accepted value that indicate study tool reliability.

*2-6 Used Statistical methods:*

In order to conclude the study results, the following statistical methods were used:

- 1- Cronbach’s Alpha, to test study tool reliability.
- 2- Frequencies and percentages to identify the study sample’s characteristics and the organizations’ characteristics.
- 3- Means and standard deviations in order to identify the organizations’ approval degree on the different questionnaire questions.
- 4- Person correlation coefficient, to analyze the relationship strength between the study variables.
- 5- ANOVA, t-test and f-test approaches were used to test study hypotheses.
- 6- Simple linear regression analysis to test the study hypotheses.

**3. Study Results**

*3-1 Study Sample General Characteristics*

Table 1. Sample distribution according to general characteristics

General Characteristics	Option	Frequency	Percentage
Sex	Male	96	80
	Female	24	20
Education Level	Diploma or less	30	25
	BSC	78	65
	MSC	7	5.8
	PhD	5	4.2
Years of Experience	Less than 5 years	50	41.7
	5-10 years	38	31.7
	10 to less than 15 years	15	12.5
	15+	17	14.2
Job level	General Director	19	15.8
	Deputy General Director	19	15.8
	Head of Section	27	22.6
	Employee	55	45.8
	<b>Total</b>	<b>120</b>	<b>100%</b>

Table (1) shows the study sample relative distribution according to their general characteristics. It is observed that Males represent (80%) of the sample 65% of them hold bachelor degree, where (41%) of them has less than 5 years experience. However, the majority ordinary employees (45.8%).

*3-2 Study sample subject views regarding tacit knowledge and its role in human resource development in the light of globalized management concept "Empirical study on franchise companies"*

Study sample subject views, regarding tacit knowledge and its role in human resource development, have been identified in the light of globalized management concept in the franchise companies in Jordan through answering the following questions:

**First**, results of the first question answers, which stipulates, "Does franchise company “study sample” realize tacit knowledge use and application and to what extent its impact on their development?"

Table 2. Impact of using tacit knowledge on Human Resource development

Independent Variable	Un-standardized Coefficients		Standardized Coefficients		t	Sig.
	B	Std. Error	Beta	R Square		
Tacit Knowledge Use	.586	.057	.688	.473	10.286	.000



Table 3. Means and Standard Deviations of Sample's respondents to First question

No.	Statement	Mean	Standard Deviation	weight
<b>Tacit Knowledge Use</b>				
1.	Our company reviews our work basic topics to identify the available knowledge dimension	*4.22	.82	1
2.	Our company attracts cognitive skills through the hiring efficiencies	4.09	.90	4
3.	Our company attracting cognitive skills through extensive consultancy work	3.90	1.13	7
4.	Our company transfers high expertise to the rest of its staff	4.15	1.16	3
5.	Our company enhances the staff skills and knowledge through training courses	*4.22	1.04	2
6.	Our company enhances its staff skills and knowledge through learning promotion	4.02	1.06	5
7.	Our company enhances its staff skills and knowledge through allowing initiation and creativity	3.90	1.12	6
<b>Total Mean</b>		<b>4.07</b>	<b>.83</b>	

\*importance degree is arranged when the means are equal according to the lowest

Table (2) data show the means and the standard deviations of the study sample subjects responses the regarding paragraphs that measure **the use and the application of tacit knowledge in franchise companies in Jordan**. The table also indicated that there was above middle agreement in general since the total responses mean was (4.07), which is higher than the virtual mean (3) of which refers to neutral position. However, with respect to scale statements, paragraph (1) was ranked in the first, followed by paragraph (5) with a mean value of (4.22). Paragraphs (7 and 3) ranked as the last ones in terms of the agreement with a total value of mean (3.90).

It can be noted from the foregoing that franchise company in Jordan aware s of its use level of tacit knowledge and applied it in its management. Moreover, the company is using several methods to review the main work topics in order to identify its dimensions and then enhance job skills through holding training courses, as well as transferring high experiences to the rest of the staff. Then attract qualifications and encourage learning and open the door before employees' initiative to enhance their knowledge and skills. All of which are among the most important means of using tacit knowledge hidden in the individuals minds, which is difficult to be exchanged or transferred.

\*Indicates that the relation is statistically significant at ( $\alpha = 0.05$ )

Simple regression was used to measure the impact of using tacit knowledge on human resource development in Franchise Company. Table (3) shows that (t) significance level is zero, which is less than the significance level that has been adopted for the study's purposes which was (0.05) and that (t) calculated value was (10.28) which was higher than the tabulated value. This means, however, that there is an impact of tacit knowledge use on human resource development, and such impact percentage was 47%. Therefore, it can be concluded that tacit knowledge use affects positively human resource development in franchise companies.

**Second:** Second question results: which stipulates, "what are tacit knowledge characteristics possessed by the franchise companies "study sample" and what their impact on their development is"?

Table 4. Means and Standard Deviations of Sample's respondents to the Second Question

No.	Statement	Mean	Standard Deviation	Importance Degree
<b>Tacit Knowledge Characteristics</b>				
8.	Our tacit knowledge is personal knowledge	4.04	.86	7
9.	Tacit knowledge that we have Increases our efficiency	4.23	.65	1
10.	Tacit knowledge that we have is based on the surrounding work environment	4.18	.82	4
11.	Tacit knowledge requires trust in human relationships	4.16	.82	5
12.	Among tacit knowledge characteristics the ability to distinguish and insight	4.08	.87	6
13.	Tacit knowledge depends on job personal experience	4.20	.79	3
14.	Among tacit knowledge characteristics that we possess the ability to perception and description	4.22	.73	2
<b>Total Mean</b>		<b>4.16</b>	<b>.49</b>	

Table (4) data indicates the means and standard deviations of the study sample subjects' responses regarding the paragraphs that measure tacit knowledge characteristics in franchise companies in Jordan. Table (4) also indicated that there was more than middle agreement in general, since the total mean of responses was (4.16), which was higher than the virtual mean (3) which refers to the neutral position.

It can be noted from the foregoing that the employees of franchise companies in Jordan were aware tacit knowledge characteristics, where paragraph (9) which states that "The tacit knowledge we have increases our efficiency "got a mean of (4.23). However, Paragraph (14) which states that "Among tacit knowledge characteristics that we possess the ability to perception and description" was ranked the second with a mean value of (4.22) and so on. This means that the employees in a multinational company in Jordan are aware of tacit knowledge characteristics with high degree, since the response rate of all paragraphs was more than the virtual mean (3), which indicated their agreement on their perception of tacit knowledge characteristics in the company they work has, and that their company concerned in such issue.

The Impact Table 5. Tacit Knowledge Characteristics on Human resources Development

Independent Variable	Un-standardized Coefficients		Standardized Coefficients	R Square	T	Sig.
	B	Std. Error	Beta			
<b>Tacit Knowledge Characteristics</b>	.707	.117	.488	.238	6.067	.000

To measure the impact of tacit knowledge characteristics on human resources development in franchise companies in Jordan, simple regression system was used. Table (5) indicates that significant level ( $\alpha$ ) is zero, which is less than significant level used for the purposes of this study (0.05). In addition, T-calculated = (6.06) which is more than tabulated value. This means that there is an impact of tacit knowledge characteristics on human resources development. The impact percent was 23%. Therefore it can be concluded that tacit knowledge characteristics positively impact on human resources development in franchise companies (study sample).

**Third:** third question results, "What is the role of tacit knowledge in human resource development in franchise companies "study sample"?"

Table 6. Means and Standard Deviations of Sample's respondents to the third Question

No.	Statement	Mean	Standard Deviation	Importance Degree
<b>Tacit Knowledge and Human Resources Development</b>				
15.	Top management supports human resources development operations by providing the needed tools, equipment, and programs	4.25	.88	2
16.	Our company provides programs that support the knowledge we have through cultural exchange programs and conferences	4.00	1.10	3
17.	Employees with supervising jobs at various locations are authorized	4.06	.91	4
18.	Employees who have a direct relationship with the public are authorized	3.93	1.05	6
19.	The company provides infrastructure for software and tacit knowledge utilization for the purpose aim of our development	3.96	.93	5
20.	One of the most important development methods in our company is to work on team work basis	4.42	.89	1
	<b>Total Mean of Tacit Knowledge and Human Resources Development</b>	4.10	.71	

Table (6) data shows the means and standard deviations of study sample subjects' responses regarding paragraphs that measure tacit knowledge role in human resource development in franchise companies in Jordan. It is noted that there was more than middle agreement in general since the total responses mean was (4.10), which is higher than the virtual mean (3) which refers to neutral case.

Paragraph (20) which state that "One of the most important development methods in our company is to work on team work basis "the highest mean value (4.42). Paragraph (15) which states that "Top management supports human resources development operations by providing the needed tools, equipment, and programs" ranked the second with a mean value of (4.25) and so on. While paragraph (18) which states "Employees who have a direct relationship with the public are authorized" ranked the last with a mean value of (3.93).

**Fourth:** fourth question results: "Do employees in franchise companies "sample study" aware

globalized management concept?

Table 7. Means and Standard Deviations of Sample's respondents to the Fourth Question

No.	Statement	Mean	Standard Deviation
<b>The Globalized Management</b>			
21.	The management style adopted in our company is the same in all its branches	4.35	.86
22.	Managerial style used by our company is associated administrative with global developments	4.32	.92
23.	Our company keep pace with new developments in dealing with us in terms of training, information exchange, management style	4.34	.93
<b>Total Mean</b>		<b>4.33</b>	<b>.79</b>

Table (7) data shows the means and the standard deviations of study sample subjects' responses regarding the paragraphs that measure how far do the employees in franchise companies "study sample" perceive globalized management concept. It is noted also indicated that there was more than middle agreement in general, since the total responses mean was ( 4.33 ), which is higher than the virtual mean (3) which refers to neutral case. This means that employees from all managerial levels in franchise companies perceive globalized management concept.

Table 8. Pearson Correlation Coefficient between the study variables

Study Variables		Tacit Knowledge Use	Tacit Knowledge Characteristic	Human Resources Development	Globalized Management
<b>Tacit Knowledge Use</b>	Pearson Correlation	1	.511**	.688**	.586**
	Sig. (2-tailed)		.000	.000	.000
<b>Tacit Knowledge Characteristics</b>	Pearson Correlation	.511**	1	.488**	.386**
	Sig. (2-tailed)	.000		.000	.000
<b>Human Resources Development</b>	Pearson Correlation	.688**	.488**	1	.559**
	Sig. (2-tailed)	.000	.000		.000
Globalized management	Pearson Correlation	.586**	.386**	.559**	1
	Sig. (2-tailed)	.000	.000	.000	

\*\* . Correlation is significant at the 0.01 level (2-tailed).

It is shown from Table (8) that the relationship between study variables was strong, since the relation between knowledge use and human resource development was 68%, which is a strong positive relationship. Moreover the relationship between knowledge characteristics and human resource development was 48%, which is also a strong positive relationship .In general the relationship between all study variables was strong positive relation; this means that tacit knowledge has a role in human resource development in franchise companies in Jordan

### 3-3 Study Hypotheses Testing

#### First Main Hypothesis

There are no statically significant differences in study sample responses towards tacit knowledge use according to the following variables (Educational level, years of experience. Job level "Directing manager and his deputy / section head / normal employee)

#### Second Main Hypothesis

There are no statically significant differences in study samples response towards tacit knowledge chrematistics according to the following variables (Educational level, years of experience. Job level "Directing manager and his deputy / section head / normal employee)

#### Third Main Hypothesis

There are no statically significant differences in study samples response towards tacit knowledge role in human

resources development according to the following variables (Educational level, years of experience. Job level “Directing manager and his deputy / section head / normal employee)

**Fourth Main Hypothesis**

There are no statically significant differences in study sample responses towards globalized management concept according to the following variables (Educational level, years of experience. Job level “Directing manager and his deputy / section head / normal employee)

To test these hypotheses, ANOVA test was used, where the following tables show the results of testing these hypotheses:

Table (9) and Table (10) results showed that there were no statistical significant differences between study sample responses regarding tacit knowledge use, its characteristics and its relation with human resource development and globalized management concept according to the (qualification, years of experience), as F calculated value was less than F tabulated value at significance level greater than 5%. So, the null hypothesis which states that: "there are no statistical significant differences between study sample responses regarding tacit knowledge use, its characteristics and relation with human resource development and globalized management concept according to (qualification , years of experience)is accepted.

Table (11), however, indicates that there are statistical significant differences between study sample responses regarding tacit knowledge use, and its relation with human resource development according to (qualification), as F calculated value was more than F tabulated value of at significance level less than 5%. So, the null hypothesis is rejected and the alternative hypothesis is accepted.

It is noted also from Table (11) that there are no statistical significant differences between study sample responses regarding tacit knowledge characteristics and globalized management concept according to (job level), as F calculated value was less than F tabulated value at a significance level greater than 5%.

Table 9. Statistical Descriptive analysis (ANOVA) results regarding tacit knowledge and its role in human resource development in franchise companies under globalized management concept according to (qualification) variable

Variation		Sum of Squares	DF	Mean Square	F	Sig.
Knowledge Use	Between Groups	1.713	4	.428	.601	.662
	Within Groups	81.878	115	.712		
Knowledge Characteristics	Between Groups	.992	4	.248	1.022	.399
	Within Groups	27.903	115	.243		
Human Resources Development	Between Groups	.736	4	.184	.353	.841
	Within Groups	59.975	115	.522		
Globalized Management	Between Groups	1.780	4	.445	.696	.596
	Within Groups	73.550	115	.640		

- Significant at  $\alpha \leq 0.05$

Table 10. Statistical Descriptive analysis (ANOVA) results regarding tacit knowledge role in human resource development in franchise companies under globalize management concept according to (years of experience) variable

Variation		Sum of Squares	DF	Mean Square	F	Sig.
Knowledge Use	Between Groups	2.275	3	.758	1.082	.360
	Within Groups	81.317	116	.701		
Knowledge Characteristics	Between Groups	1.120	3	.373	1.560	.203
	Within Groups	27.775	116	.239		
Human Resources Development	Between Groups	1.581	3	.527	1.034	.380
	Within Groups	59.130	116	.510		
Globalized Management	Between Groups	1.331	3	.444	.696	.557
	Within Groups	73.998	116	.638		

- Significant at  $\alpha \leq 0.05$

Table 11. Statistical Descriptive analysis (ANOVA) results regarding tacit knowledge role in human resource development in franchise companies under globalize management concept due job level variable

Variation		Sum of Squares	DF	Mean Square	F	Sig.
<b>Knowledge Use</b>	Between Groups	5.813	3	1.938	2.890	<b>*.038</b>
	Within Groups	77.779	116	.671		
<b>Knowledge Characteristics</b>	Between Groups	.692	3	.231	.949	.419
	Within Groups	28.203	116	.243		
<b>Human Resources Development</b>	Between Groups	7.871	3	2.624	5.759	<b>*.001</b>
	Within Groups	52.840	116	.456		
<b>Globalized Management</b>	Between Groups	3.010	3	1.003	1.610	.191
	Within Groups	72.319	116	.623		

- Significant at  $\alpha \leq 0.05$

#### 4. Conclusion

The study concluded a set of results, the most important ones are:

1) Tacit knowledge in general has an effect and a role in human resource development in franchise companies under globalized management concept.

2) The study found that franchise companies in Jordan are aware of the extent of their use and applying tacit knowledge in their management, where they use several methods to display basic topics in work for the purpose of investigating its dimensions and then enhancing job skills through training courses and transfer high expertise for the rest of the staff. It attracts qualifications, encourages learning, and accepts employees' initiatives to enhance their knowledge and skills. All of which are the most important means of using embedded tacit knowledge in individuals' minds, which are difficult to be exchanged or converted.

3) The study found that the use of tacit knowledge has positive impact on human resources development in franchise companies "study sample".

4) The study found also that the employees in franchise companies in Jordan are aware of tacit knowledge characteristics and its effect on human resource development.

5) The study found also that workers at all managerial levels are aware of the globalized management concept.

6) The study found that the relationship between all the study variables was strong positive relation, which means that tacit knowledge has a role in human resource development of in franchise companies in Jordan.

7) The study found that there are no statistical significant differences between sample study responses regarding tacit knowledge use and its characteristics and its relation to human resource development and globalized management concept according to the following variables: academic qualifications, years of experience, "while there are statistical significant differences between sample study responses regarding tacit knowledge use and its role in human resource development according to job level variable (director general and deputy / head of section / normal employee ).

8) The study found that in order to develop human resource its knowledge should be developed so to be reflected in the form of job skills and creations in the form of new products and services, and to be reflected in the form of solving the problems that might encounter work. This might only be achieved by attracting embedded tacit knowledge in individuals' minds which is not easy to express, either because it is difficult to express in speech except through practice or for other reasons related to the fact that the individual is new in the job, and has no enough experience, or because it is related to non-social people and other reasons.

9) The study also found that human resource development in franchise companies has an important role in raising its efficiency and performance, specifically if tacit knowledge possessed by these individuals has been perceived and invested.

10) The study found that globalization played a major role in unifying the employees' management style in franchise companies and their perception extent of globalized management concept so the applied management style in any branch in a particular state must be the same in another branch. This is however is not an easy responsibility for decision-makers because of the diversity within communities and their individuals' cultures. Therefore, making one policy or one style is not easy, and the perception of tacit knowledge and its characteristics is one of its achieve methods by individual employees is one of its methods to be achieved in such companies and to give it a global pattern.

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