An Investigation Of Knowledge Management Practices in the Old Mutual,
Buffalo City Metropole, Branch

By
Kolisa Siqoko

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ABSTRACT

The study has sought to examine knowledge management practice in the Old Mutual, Buffalo City Metropole.

The study has been conducted against the backdrop of measuring how far South African companies are in applying Knowledge Management (KM) tools and techniques to improve their competitive advantage. The study was conducted based on the assumption that insurance companies in South Africa are at the forefront in the use and application of technology.

Various concepts are defined throughout the study. In reviewing literature for example, the study introduces the reader to various theories, views and approaches to KM. The most significant of these are the cultural and social systems approach on one hand and the product or process approach on the other.

The study relied on the use of a variety of data collection methods such as questionnaires, interviews and participant observation for the purposes of collecting primary data. From the primary data collected, it was discovered that the largest number of responses came from marketing, sales and customer services departments. The employees have limited flexibility in terms of decision making and team work, due to the rigidity of tasks.
The findings revealed that the company has a loosely structured infrastructure, where each strategic business unit (SBU) manages its own IT tools and documents. All these underlying aspects are not conducive to the promotion of and growth of KM in any company.

The final chapter concludes with a model for KM implementation and the procedures to be followed to ensure that the practice adds value to the company.
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CHAPTER 1

THE SCOPE OF RESEARCH

1.1 MAIN PROBLEM

The South African government believes that developing a national “knowledge strategy” in line with the national strategic objectives will facilitate the achievement of national objectives such as job creation (Bruwer, 2001:1).

So great is the belief in this concept of knowledge management, that the South African Department of Communications (DOC) has taken a leading role in driving knowledge management development, throughout South Africa (Bruwer 2001:1). The chief executive officer (CEO) of the DOC, Richard Gerber, recently presented a paper in Washington, where he stated that knowledge management in South African organisations must be managed along the same lines as the value chain. He continued that it must increase efficiency and effectiveness enhancing the use and recording of leading practices. In doing so, organisations will increase competitiveness by lowering organisational inputs. For example organisations can make use of internal expertise when solving problems without seeking outside help and that will lead to a decrease in organisation inputs. This scenario will lead to higher growth rates and job creation as companies expand (Bruwer, 2001:2).
It is also believed that knowledge management will bring high returns on investment to those organisations that invest in the creation and management of their knowledge resources. Harris (1999: 16) further suggests that managers have been kept busy by the rapid turnover of employees and the subsequent attrition of skills, which underlines how essential it has become for organisations to find a better way of capturing and managing the knowledge of their workers. The problem researched in this paper, originates from the above information. This study investigates the commitment of South African companies to the views of the Department of Communication (DOC), where the knowledge resources of organisations must be effectively managed.

In the light of the South African government’s perceptions on knowledge management, the main problem to be researched in this paper is:

How committed are South African companies to knowledge management?

1.2 SUB-PROBLEMS

The following problems are posed as sub-problems of the research paper. These will assist in solving the main problem.

1.2.1 What information sources and infrastructure components of the organisation are beneficial to knowledge management?
1.2.2 Does management view KM as a resource that can improve competitive advantage?

1.2.3 To what extent is the organisation’s culture conducive to the implementation of KM strategy?

1.3 DEFINITION OF KEY CONCEPTS

1.3.1 Knowledge Management (KM)

There are various definitions of the concept “Knowledge Management” which organisations may adopt. For the purposes of this research paper the resource based view (RBV) and the societal view will be discussed.

The RBV is premised on the belief that knowledge management is the exclusive reliance on the power of computers and communication technologies to integrate and leverage knowledge within an organisation, so that it can be able to sustain its long-term competitive advantage (Bhatt, 2001:68). The other view believes that knowledge resides in human minds, Therefore employee training and motivation are key factors to knowledge management (Bhatt, 2001:68).

The societal definition, according to Dawson (2000:1) is based on the belief that knowledge management implies that knowledge already exists and needs to be
managed with connotations that it is a static asset, like all other company assets, such as human, financial and technology.

For the purpose of this research paper, a comprehensive view of knowledge management will be adopted. Defining knowledge management, on the basis of technological and human integration alone, can lead to the bias of emphasizing one aspect over the other. Knowledge management (KM), according to Preiss (2000:5), is a good integration of Information Technology (IT) elements and people. These aspects must be culturally embedded in an organisation.

In this paper therefore, knowledge management will thus be defined, as an incorporation of both internal and external components of an organisation, with the people as repositories of specific knowledge. All this information needs to be arranged, organised and disseminated back to the organisation, through a formalised knowledge centre. This simply means, the formation of an establishment within the corporate world, a multi-benefit knowledge center. It will be responsible for creating a learning organisation out of a particular company, concentrating mostly on customer feedback, new organisational operating procedures, new business processes and creation, gathering, storing, maintaining and dissemination of knowledge.
1.3.2 Infrastructure

The infrastructure discussed in this paper will be described in terms of technology, people and Strategic Business Units (SBUs).

Technology

Thompson and Strickland (2001:393) believe that every organisation needs a system for gathering and storing knowledge. Insurance companies like Old Mutual and Sanlam, because of the nature of their services, should provide customer-contact staff with instant electronic access to the company database so that they can make informed decisions and respond effectively to customer inquiries.

In this instance technological infrastructure, refers to the availability of high powered computers and communication networks, for knowledge creation, validation, presentation and application (Bhatt, 2001:71). This situation should be reflected in the way the organisation’s products, processes and services are arranged. An organisation must be able to locate the right kind of knowledge in the right form, for the right kind of people. For the purposes of this research paper, the term information technology (IT), will be used when referring to technology.
People

The assumption is that none of the members in the organization possesses all relevant knowledge needed in order to accomplish complex tasks. According to Mintzberg (1989), as quoted by Soliman and Spooner (2000:338), the strategic data bank of the organisation is not in the memory of its computers but in the minds of its employees.

People infrastructure refers to a situation where an organisation creates a culture where the views and the collective knowledge of its employees are used as a key competitive tool from which innovation can emerge, and is encouraging, supporting and rewarding collaboration and recording of “best practices” between people and departments (Soliman and Spooner, 2000:338). This clearly means, a complete change of the corporate culture, business procedures, philosophy and principles, to suit KM practices.

Strategic Business Units (SBUs)

For the purpose of this paper, strategic business units, refer to the demarcation of those core- businesses, sometimes known as core competencies, which give an organisation a competitive advantage (Thompson and Strickland, 2001:356). To explain the concept further, an SBU is viewed as that part of an organisation that serves a distinct external market for goods and services, distinct from the other SBUs within the company (Johnson and Scholes, 1984:12). It is at this
level that an organisation’s competitive advantage is achieved, by rendering excellent performance.

The infrastructural analysis of this paper will concentrate on the interaction of people with information technology and the restructuring of the SBU’s in such a way that they facilitate this interaction.

1.3.3 Competitive Advantage

A competitive advantage simply means a strategy that an organisation is using to outperform its competitors (Thompson and Strickland, 2001: 150). A definition of a competitive advantage will be limited to the proposed research. In this research paper a competitive advantage will be defined as follows:

A strategy employed by management, in the form of an action plan for competing successfully and offering superior value to customers, whether through costs, products, services, strategic alliances, globalisation, electronic commerce or improved resources (Thompson and Strickland, 2001:157). On the other hand, Chase (2001:3) describes a competitive advantage as a strategy which gives the company superior business performance through benchmarking, best practice that boost the company’s bottom line return on investment, which maximises share holder value and adopts a culture of self-initiation.
1.4 THE SIGNIFICANCE OF THE RESEARCH

As global organisations enter South Africa, information sharing and collaboration have become very important aspects to South African organisations. The sudden shift from industrial to information economy forces organisations to conduct continuous introspection. Organisations must begin to recognise that knowledge management (KM) is a way of the future and no longer a matter of choice for the country. Funkey (2001), as quoted in Bruwer (2001:2), suggests that knowledge management is the only way in which we can unlock the value of an organisation’s human capital, and it is essentially about people management.

In other words, the concept of managing knowledge means one has to be able to manage people who are the beholders of knowledge. There should be co-existence between information technology and human capital through establishment of a knowledge centre. This is the foundation principle of the research paper.

Organisations and researchers alike have reached consensus towards the need for companies to put into practice knowledge management in order to gain a competitive advantage. However, there are differences of opinions regarding how companies can best implement knowledge management. In this research therefore, the current situation regarding knowledge management will be investigated. The results will be viewed and analysed in order to make recommendations on how this concept can be best put into practice in
organisations. Future predictions of the direction that the company will take towards knowledge management will also be made.

1.4 DELIMITATION OF THE RESEARCH

In this section organisational and geographic limitations will be discussed.

1.4.1 Organisation And Geographical Limitations

The study will be limited to the insurance industry, specifically the Old Mutual, East London branch for two main reasons. Owing to a lack of funds, the research is restricted to the Buffalo City metropole area, where the researcher resides. It is assumed that banks and insurance companies because of the nature of their collaborative and communication services, are at the forefront of knowledge and information technology in South Africa.

Old Mutual is considered to be among the largest insurance groups in South Africa (http://www.oldmutual.co.za). It is a world-class international financial services company, with expanding operations in life assurance, asset management, banking, short-term and general insurance. The Old Mutual Group managed in excess of $234 billion in funds as at June 30, 2001 and has approximately 3.8 million life assurance policyholders, 2.4 million banking customers, 400,000 short-term insurance policyholders and more than 900,000 unit trust accounts worldwide (http://www.oldmutual.co.za).
1.5.2 Organisational Level

A look at two distinct organisation levels of Old Mutual would be made. Firstly, an analysis and observation at SBUs level. This suggests that the organisation’s broader sub-units, as opposed to functional departments, will be the focus of the study as it will be time consuming to analyse the entire organisation (Thompson and Strickland, 2001:475).

Secondly, management level will be limited to decision-making managers. These are directors, executives and operation managers of the organisation. Age, sex, experience and level of education will not be regarded as limiting factors.

1.6 OUTLINE OF STUDY

The study investigates the practice of KM in the insurance industry, with specific reference to the Old Mutual Buffalo City Metropole branch. Chapter 1, discusses the scope of the research: the main problem, sub-problems, definition of concepts, significance of research and delimitation of research. Chapter 2 discusses various theories and approaches to KM, with specific reference to the cultural view, the product and process approach and the technology and social systems approach. Chapter 3 discusses cases on KM implementation in both the public and private sector. Chapter 4 discusses the qualitative and quantitative techniques of research, with emphasis on data collection methods, demarcation of research site and demographics. Chapter 5 deals with data and results
analysis. Lastly chapter 6 deals with conclusion and recommendations of research.

1.7 SUMMARY

This chapter discussed the main problem and the sub-problems, the significance of the research project as well as the delimitations of the study. Concepts to be used in the research were also discussed, with specific reference to the writer’s understanding of the concept of knowledge management. The outline of the study was also discussed. The next chapter will deal with views, issues and approaches on KM.
CHAPTER 2

KNOWLEDGE MANAGEMENT–THEORIES, VIEWS AND APPROACHES

2.1 INTRODUCTION

Barret (2002:4) claims that, “the organisation of the twenty first century thrives on intellectual capital.” In other words, knowledge, skills and ideas are being used to the advantage of the organisation. Information inside people can and is being downloaded and converted into organisational knowledge, provided the organisation knows how to capture and manage it. Some of the questions that may arise in relation to the above statement are:

(i) what really is knowledge management?

(ii) how can it be practically applied in organisations?

In this chapter, the researcher will give an overview of various approaches and views researched on the field of knowledge management.

2.2 NATURE, DIMENSION AND ISSUES

Recently in organisations the concept of information age was a popular concept. Information gathering, production and servicing was recognised as a separate entity. It was acknowledged that information technology and human capital are needed, but as separate business entities. These are some of the most evident principles in which the information age was based (Manson,2002:1).
The knowledge management era represents a shift from nuts and bolts to minds and thoughts. Information technology creates the environment where humans can interpret information as knowledge. It is humans who create and develop innovative ideas to maintain a competitive advantage in the market place. KM therefore originates from these arguments (Barret, 2002:1).

The literature reviewed illustrates that there are common elements in the definition of the term, knowledge management. However, there are some slight differences of approach that need to be taken into account when implementing knowledge management in organisations. Three different approaches were identified. These will be discussed below.

2.3 THEORIES, VIEWS AND APPROACHES

This section deals with the theories, views and approaches to KM from various literature sources.

2.3.1 KM as a strategic principle for success: The cultural view.

This theory is based on the view that knowledge capital exists in two ways:

(i) Within the minds of the people, who know something useful that will make the organisation more productive;

(ii) As a formal written down expression of human capital;
Organisations often ask for a how-to guide to knowledge management without recognising that they will also need knowledge and experience internally to effectively undertake knowledge management. This approach according to Newhouse (2001:9) is called the “tool-kit” approach.

Newhouse (2001:8) conducted a study to discover how organisations can succeed through knowledge management. The findings reflected that a more tailored approach to KM was appropriate. Companies often believe that by posting a toolkit on the company Intranet, employees will download it and follow the certain steps for building knowledge communities, which will ultimately help them to classify and capture best practices. According to Newhouse (2001:12) this is not very practical. Only when KM becomes part of an organisation’s strategy and resources are allocated as such, and a consistent system of measurement for resource allocation is used, can a company begin to experience and measure benefits of KM. No KM projects will spring up ad hoc, with little or no alignment to the company strategy, will be effective (Newhouse, 2001:8).

According to Syed (1998:62), the environment in which many organisations operate is changing. A strategy is needed to control the behaviour of company knowledge workers. Hence KM should be a norm of the company depicted at both cognitive and structural levels as well as the SBU levels of the organisation.
Both Newhouse (2001:8) and Syed argue (1998:62) in favour of the institutionalisation of KM, on the basis of unique knowledge needs of different structures within the organisation. Their research papers support budgetary initiatives, training and design of human resources and engagement of leadership to KM initiatives. An emphasis is put on knowledge management being put into practice in a decentralised customised approach, depending on the knowledge needs of different human structures within an organisation. In summary, this approach emphasizes more the human capital side of knowledge management.

Similar to Newhouse’s (2001:8) implementation approach, is Harris (1999:16) approach. Knowledge management should be viewed as a part of an organisation technological culture. The KM system of any organisation must enable its technologies to be used for data mining, document management, GroupWare, workflow, distance learning, intranets, information retrieval systems and push technologies. According to Thapisa and Birabwa (1998:50), the stock of information that a company holds at a point in time, tends to define their place in the hierarchy of world wealth and power. This is due to the fact that a new system of making wealth consists of expanding global networks, with production centres in instant communication with one another, exchanging increasing flows of knowledge and information.
Harris (1999:16), stipulates that there are various companies in the United States of America (US), who are already practising knowledge management. Their KM practices are built around the web and the Internet. Individuals within the company contribute and retrieve knowledge through web browser as they see fit. In summary, Harris (1999:16) is in favour of implementation of knowledge management in a loosely structured manner creating multiple databases throughout the entire company. Through implementing KM systems in the above manner, Mitre company in the (US), netted a return on investment (ROI) of $54, 91 million in reduced operating costs and improved productivity by just spending seven million on the system from 1995 to date.

To summarise the cultural view, the writer can say the following aspects form the foundation of this view:

(i) Knowledge management is human capital, (i.e.) both individual and communal knowledge of the organisation;

(ii) Knowledge management should be viewed as a holistic movement in which different individuals, cultures and departments are trained to create value of information through sharing, so as to maximise services and profit;

(iii) Human capital needs no infrastructure, it needs only people (Barret, 2002:1);

(iv) In their pursuit of the application of knowledge management, companies are most likely to shift focus to talent economy.
Talent economy is described by Stadler (2002:1), as a way in which companies retain the intellectual capital of their staff members long after they have resigned or left the company through recording of best practices.

2.3.2 The product and process approach to KM

In contrast to the views above, Mentzas (2001:10) moves from a completely different perspective. In a research conducted on how organisations can best realise the full value of knowledge, its assets and how to gain a competitive advantage, Mentzas (2001:10) believes that the solution lies on how best is the arrangement of products and processes of the organization.

This approach is based on the belief that creating links within information technologies used in an organisation is the best way for implementing KM. The human capital as part of the KM is to a great extent completely ignored (Mentzas, 2001:12). Syed (1998:59), disagrees with this view because of the belief that “knowledge management is more about interactions between knowledge workers, knowledge techniques, tools and technology resources”. Sharing of information between individuals results in information being stored as company knowledge because of various ways in which individuals can interpret data.
For example, Orr (1996), as quoted by Bhatt (2001:74), discusses how two experienced technicians exchange different views regarding malfunctioning of a Xerox machine. One technician interprets the error code literally, while the other technician considers the error code as a symptom of some deep-rooted problems. If the two technicians can exchange and record information on different interpretations of the problem, two different approaches for solving a single problem can be developed.

The emphasis of the product and process approach is based on the view that:

(i) Knowledge management is about managing databases;

(ii) Knowledge management is about tools and systems of technology such as information search facilities, information acquisition facilities, document processing facilities, statistical data analysis facilities and value added networks between organisations (Stadler, 2002:2).

2.3.3 The interaction of technology and social system’s approach

Similar to the opinion of Mentzas (2001:10), are the approaches of Bhatt (2001:73) and Merryln (1998:28). The point that Merryln’s theory (2001:30) is trying to drive home is that companies spend large sums of money looking for solutions to business problems, whereas these solutions they seek are in the heads of unknown colleagues whom they must first identify and access. Sometimes, the information exists in a corporate database in an archived video file, on the
Internet or on a supplier company Intranet, but it cannot be accessed because no one knows about it.

Bhatt (2001:73) suggests that knowledge management must be used to generate information for the organisation. The organisation’s capability to meet the external environmental challenges can be strengthened through a formalised culture of recording personal experiences and information sharing, using both the information technology tools and social relations within an organisation as vessels for knowledge management.

Bhatt (2001), Merlyn (1998) and Mentzas (2001:10) move from the same premise as this research paper. However, the interaction between the cultural and product and process approach is taken one step further in this paper. Much emphasis is put on discovering whether KM is centralised through the establishment of a single knowledge center, responsible for servicing the entire organisation.

To effectively implement knowledge management, organisations must move away from relying on the information technology to relying on knowledge technology. Organisations should seek knowledge technology (KT) designs that will amalgamate and automate sales, marketing, personnel, project management and research and development (R&D) projects within a single database.
The idea of a knowledge centre is presented by some of the ideas and predictions drawn from literature concerning the issue of knowledge management in South Africa:

(i) More South Africans will embrace knowledge management as a critical business strategy. Companies like MTN and Old Mutual are looking at employing knowledge management practitioners to improve their competitive advantage;

(ii) As South Africa’s economy grows, the need for skills is also intensified. Therefore companies are looking at ways in which they can retain their human resources and how to train them to be leaders in the talent economy;

(iii) Talent in the new economy would be a scarce resource and companies have to find ways other than financial rewards to entice new employees to stay (Stadler, 2002:1).

2.4 SUMMARY

It is clear from the various theories dealt with in this chapter, that there is no single approach to the application of knowledge management. If you speak to the IT department, knowledge management is viewed in terms of databases, while auditors think of intellectual assets and human resources, think of human talent.
From the discussion above, the following has been deduced:

(i) More companies will embrace knowledge management practices as they start to see the impact of losing knowledge on key customers and suppliers. They will realise that the cost of losing information on a best practice in a specific area of operation can hinder severely their competitive advantage and in some cases income;

(ii) The strength of knowledge management therefore lies in documenting business successes and failures, market research and putting more emphasis on human capital development in South Africa, through a single, central knowledge center within an organisation (Stadler, 2002:2),

Chapter 3 will discuss various knowledge management methods and techniques used by global organisations.
CHAPTER 3

AN OVERVIEW OF KM METHODS/STRATEGIES USED TO CAPTURE, STORE AND DISSEMINATE KNOWLEDGE IN GLOBAL ORGANISATIONS.

3.1 INTRODUCTION

Chapter 2 discussed various theories, views and approaches to KM. This chapter will highlight methods and strategies used to capture, store and disseminate knowledge in organisations.

Business application of KM is one of the most critical foundation strategies needed by today's computing organisations. KM is critical because information access, information analysis and interactions around information need to be applied to business solutions such as supply chain management, research and development (Grissen, 2002:16).

Unlike manufacturing activities, however, knowledge activities are difficult to monitor and control because only a part of knowledge is internalised by the organisation. The other part, also known as tacit knowledge in the organisation, is internalised by the individuals. This duality between individual knowledge and organisational knowledge requires a balanced information technology
infrastructure, to elicit and organise both external knowledge and tacit knowledge (Bhatt, 2002:31).

This chapter deals with the infrastructural tools, techniques and materials that global companies use in storing, capturing and disseminating knowledge, in order to gain a competitive advantage.

The last part of the chapter will give an example of how world class companies have managed to centralise information or to use KM as a knowledge repository, by storing valuable information, such as company case histories, problem resolution techniques and quotes, into a centralised database.

3.2 KNOWLEDGE BASED ORGANISATIONS

A knowledge organisation is defined as an organisation that integrates its core competencies or its expertise with its existing information technologies to create a sustainable competitive advantage (Beckman, 1998:13). To explain the concept explicitly, it is contended that a knowledge organisation is the type of organization that utilises its knowledge by making it available to its employees, management and customers. This type of organisation identifies important knowledge methods to be used to enhance its business processes and identifies where, when and how to implement these methods. Employees who need the knowledge are identified and techniques for capturing, sharing and distribution are also identified (Liebowitz, 1998:14).
Laudon and Laudon (2001:371) elaborate on the idea of a knowledge organisation, by emphasising that it is the one that is involved in continuous learning. This type of organisation obtains knowledge in the same manner as human beings: firstly, by creating and gathering information through trial and error, secondly, by creating an information technology infrastructure, such as the one reflected on Figure 3.1 below.

**Figure 3.1: An example of an IT infrastructure for a knowledge organisation**

![Diagram of IT infrastructure for knowledge organisation]

**Source:** Adapted from: Laudon & Laudon, 2002: 375.
Looking closely at the IT infrastructure of this model, we can deduce instantly some of the methods and techniques in knowledge management practised in organisations. Knowledge organisations involve mainly sharing, distributing, capturing and creating of knowledge using various information technology methods. Some of the specific methods in techniques mentioned in the model are, artificial intelligence, virtual reality, intranets and web publishing (Laudon and Laudon, 2001:375). These techniques are then linked together through networks, software and databases.

In order to become a more knowledge-aware organisation, certain components or building blocks need to be in place. The diagram above discusses explicitly the knowledge life-cycle. There has to be a strong collaboration of all the systems mentioned above such as networks, databases, software, processors and internet tools to provide a logical flow of information. In the diagram, systems for capturing and codifying explicit information are first set in place; then systems for distributing information; then information is shared through the sharing systems such as the intranet. Lastly that information is used to add value to a particular person or project, or solve a particular problem it then becomes knowledge (Botha and Van Rooyen, 2000:31).

3.3 CORPORATE STRATEGY

Organisational culture is part of a corporate strategy. Organisational culture refers to the held beliefs and values within an organisation. Corporate strategy
also determines the extent to which each individual interacts with the other, inside an organisation (Johnson and Scholes, 1999:79). Thus a strategy refers to a setting up of future organisational goals in line with the mission of the organisation (Frenzel, 1999:63).

Successful firms around the world have discovered that it is important to first align the company’s IT strategy to that of the entire organisation, so as to set an effective KM environment within the organisation (Frenzel, 1999:63). In doing so, an organisation must first assess how its SBUs interact. On the basis of this assessment it can be identified whether to centralise or decentralise the KM practices. Decentralisation of KM practices is already practised in various companies. The use of collaborative information systems such as the internet, electronic mail, intranet, extranets in various organisations around the world, represents some form of KM decentralisation of practices.

3.4 ORGANISATIONAL DESIGN

Bhatt (2002:31) recognises that a majority of managers have difficulty in understanding the practical aspect of KM. This is due to the fact that traditional managers have dealt with tangible and physical resources such as finances, people and production. Knowledge, on the other hand, is not as tangible as the above-mentioned resources. It is difficult to monitor, control and conceptualise, especially the type of knowledge or expertise locked up in employees’ minds. For some managers, therefore, the struggle is not of KM as such, but it is a struggle
of differentiating between knowledge and information. Knowledge activities are often unstructured and their specifications cannot be predefined. Only organised information can find its life and become knowledge (Bhatt, 2002:32).

To manage knowledge effectively and efficiently, a firm needs a highly flexible organisational structure. For example, an organisation that contains a flat horizontal structure, characterised by team-work, with no elements of hierachical bureaucracy, based around its core competencies or SBUs, is usually an effective KM organisation (Bhatt, 2002:35). It is easy to create, capture and transform and centralise knowledge within a single strategic business unit than it is for the entire organisation. Powerful information systems such as internet, e-mail extranets as discussed in the model, are used to facilitate a conducive KM environment. Some real success stories of using these information systems in global organisations will be discussed in the next paragraph.

3.5 CASES ON KM IMPLEMENTATION

The firm cases below will discus show organisational knowledge, often comprising of both corporate knowledge and individual knowledge, is often associated with actions, and is created within the company by means of information and social interaction, providing potential for development (Al-thari and Zairi, 2001:73).
3.5.1 Clarica Life Insurance

Clarica Life Insurance is a Canadian based insurance firm. It is listed as one of the top ten companies in the (2002) North American most admired knowledge enterprises (North American Most Admired Knowledge Enterprises, 2002:5). When Clarica Life Insurance was selected as a knowledge organisation, a panel of (250) leading KM and intellectual capital practitioners were asked to nominate organisations founded and headquartered in North America, which delivered superior results. These companies were then benchmarked against a set of eight performance criteria such as:

(i) creating corporate knowledge wealth;
(ii) developing knowledge leaders;
(iii) delivering knowledge-based products and solutions;
(iv) maximising the company's intellectual capital;
(v) creating an environment for collaborative knowledge-sharing;
(vi) creating a learning organisation;
(vii) focusing on customer knowledge;
(viii) transforming knowledge into share holder value;

(North American Most Admired Knowledge Companies, 2002:5)

An organisation nominated by at least 10 percent of the expert panel were named (2002) North American finalists. Clarica Life Insurance, introduced its KM practice through organisational learning. Knowledge leaders were built through a promotion of a knowledge sharing environment, managing customer knowledge
and delivering superior business results. The company also used its intranet as a platform for exchanging and accessing knowledge.

3.5.2 Chemical Technology Firm

The first case involves a research and development division of a large chemical technology firm, which manufactured both consumer and individual products. The firm consisted of non-routine systems and the tasks performed were highly technical in nature and needed a continued influx of knowledge (Stebbins and Shani, 1995:23). For example, the company’s staff spent much time in the laboratories trying to research and experiment new products. High specialisation of tasks was a prerequisite in the company as the firm had many competitors and operated in a turbulent environment.

Analysis of the work environment within the chemical firm revealed that, there were certain barriers to utilisation of knowledge. As a result, the company experienced problems such as:

(i) Increased domestic and foreign competition, and a declining market share;

(ii) High product development costs due to lengthy decision-making procedures;

(iii) Delays in product deliveries to market vendors;

(iv) It needed to seek changes in the way its products were made, managed and introduced into the market (Stebbins and Shani, 1995:23).
The problems experienced were caused by the following:

(i) Lack of the product system knowledge at management levels;

(ii) Premature and inadequate decisions on technical research approaches used, resulting in personal biases from the scientists;

(iii) Use of informal meetings to communicate most issues within the technical and project staff whilst vital topics were covered once a month on review meetings;

(iv) This led to other project and functional experts of the company attending meetings only when their projects were on the agenda (Stebbins and Shani, 1995:26).

The upper division of management of the company decided to solve the problem by implementing a KM strategy and termed it ‘business redesign project’. They identified that in order to increase product development, the firm needed to create an integration of all diverse groups and the expertise they possess within the company. They did not hope to change the existing organisational structure. Instead they selected a single representative from each existing SBU and integrated them into a single group.

The idea behind this gesture, was to align decision-making with technical and product system knowledge and to phase specialisation among staff. Integration groups were composed of people with relevant although different expertise, who
had skills to integrate activities of different units throughout the organisation. They were used to set goals, allocate resources and involve subject-matter experts in deliberations and decision-making. They were also responsible for acquisition, dissemination and application of knowledge. This move proved to be more profitable as the chemical firm was transformed by the new design system, and new products were sent to the market just on time as a result of quick and efficient decision-making.

3.5.3 KM implementation in the Kuwait Public and Private sectors

This case involved the study of the availability of knowledge management systems in the Kuwait private and public sectors. An assessment of the actual situation was conducted, and how it can be improved to achieve organisational and national objectives through more effective application of KM methods (Al-thari and Zairi, 2001:70).

The study findings were:

(i) The quick and messy transition from industrial based production economy to information based systems economy, had rendered many functions and people obsolete;

(ii) Downsizing in various organisations has led to a loss of valuable knowledge because of the inability to capture the wisdom of workers leaving the organisation;

(iii) Many employees still believed that guarding knowledge and withholding
It would help them to protect their positions from internal competition;

(iv) Various organisations had a culture and an environment not promoting the advancement of KM practice (Al-thari and Zairi, 2001:75).

The researchers of the Kuwait organisations were faced with developing proposals to rectify the current KM situation in these organisations. They had to deal with issues such as finding out how knowledge is transferred when a staff member has resigned. They had to remove stereotypes and shared beliefs that, holding vital information ensured that the employee would be indispensable and free from termination.

In order to address these underlying issues, the researchers mentioned by Al-thari and Zairi (2001:75), made the following recommendations to the researched Kuwait public and private sectors:

(i) Employees were encouraged to make use of various sources of knowledge at their disposal;

(ii) These sources include: journals, conferences, colleagues, customers, suppliers, government and public interests groups;

(iii) It was also recommended that all these knowledge sources be tied together by a single KM network system;

(iv) The management of the organisation had to design an assessment programme for assessing the financial value of managing knowledge and
to measure the performance of the new knowledge transfer techniques used.

The impact of implementing KM system in the Kuwait public and private sector has been very positive. Within a period of three months after implementation, employee learning was increased. An environment of teamwork was set up. The researched organisations began to benchmark their activities with others. Knowledge began to be used to facilitate organisational development. A system called an internal journal, is the most used system in Kuwait organisations. With an internal journal system, the customers, the suppliers, the employees and the management record best practises in a single information network database, managed by the IT department of the relevant organisation (Althari and Zairi, 2001:79).

3.5.4 Use of KM At Dow Chemicals For Bottom Line Results

Dow Chemicals, a company dealing with patents administration, started with a project that involved the systemisation of information on the company’s 30,000, patents (Rowley, 1999:417).

The company first categorised its projects into four broad objectives. The four project objectives were identified as:

- the creation of knowledge repositories;
- the improvement of knowledge access;
• creation of a knowledge environment;
• the recognition of value of knowledge in an organisation.

This company aimed to use KM as a quick fix strategy rather than attempting to embed knowledge management holistically into the organisation.

To create knowledge repositories this company, firstly, intergrated into a single database all its structured knowledge such as research reports, marketing material and competitive intelligence strategies. Tacit knowledge or the so-called informal knowledge residing inside individuals was assessed through setting up discussion databases that store ‘know how’ information to be accessed by all employees. Rowley (1999:417) elaborates on the issue by stating that, “In all these databases an underlying common feature was to create ‘added value’ through categorising and pruning of information”.

In order to improve access to knowledge, the company made use of telecommunications networks, such as video conferencing systems, expert system networks, group work technologies such as Lotus Notes. These were created for each department and the emphasis was put on connectivity, sharing and transfer of knowledge. To enhance a general KM environment within the company, rewards were given to employees who contributed or added something to the company’s structured knowledge base. To manage knowledge as an asset, a balanced scorecard was created which measured the direct contribution
of knowledge to the bottom line innovation and then how, in-turn, innovation influence organisational finances (Rowley, 1999:418).

3.6 KM USED AS A KNOWLEDGE REPOSITORY

Most companies in the past concentrated on making IT solutions available for business areas such as supply chain management, sales, marketing, research and development. Knowledge management, on the other hand, is an IT approach which aims at breaking down barriers between various business areas. Businesses that practice KM, are now forced to integrate all information services and allow these services to be performed by a single storage warehouse within the company. Hence there are terms like Information Value Chains (IVCs) or the Intellectual Capital Web (ICW) (Kutnick, 2000: 1).

The Intellectual Capital Web, according to Zhou and Fink (2003:34), is a critical resource for any firm's viability as it represents a decline in relying on tangible assets to a shift into relying on knowledge, customer relationship and company expertise. It can be used to host customer, supplier, knowledge worker, decision-maker and departmental information into a single storage warehouse. Some companies have gone as far as opening a digital resources centre within their institution. A good example is that of Sport-Service Corp, a ball-park food vendor in the United States (US). The company attempted to apply an ICW through a centralised internal database. Initially the company had compartmentalised its business units such as retail, food and beverages.
The management realised that they needed to create a more collaborative information sharing mindset, that will efficiently gather critical information for the business and quickly channel it to the people who need it whilst encouraging a more creative environment. The company first appointed a chief information officer (CIO). All the databases within the company were integrated or centralised into a single electronic brainstorming database called ‘team focus’.

This database allowed groups or individuals to share information anonymously. This means information collected from the point of sale, namely, shop-floor and tellers, would be fed by knowledge workers into the team focus database. Employees had access to the database and they would analyse and share findings as they saw fit (Liebowitz & Beckman, 1998:23).

3.7 SUMMARY

Today’s organisations are engaged in a lot of activities involving publishing, marketing, research, collaborating and building up knowledge. This environment encompasses a number of key players including end users, management, employees and suppliers. The key players operate in an environment with technology, information, tools, processes and procedures that support information access and use (Cheng, 2001:26).
The key is not how organisations define KM methods, nor how organisations perceive knowledge management, but in the organisation’s ability to implement a successful KM strategy, and the organisations commitment and attachment of value to the methods used. It is also known that organisations are different on the inside as they are different on the outside, because of different external environments in which they operate. As a result of these differences, some organisations are reluctant to implement this KM philosophy because of the significant consequences it has on the structure and culture of the organisation, irrespective of rewards that a firm can gain from implementing KM (Rowley, 1999:418). The next chapter will deal with the qualitative and quantitative nature of the research.
CHAPTER 4

THE QUALITATIVE AND QUANTITATIVE DESIGN OF RESEARCH

4.1 INTRODUCTION

The concept of knowledge management has been researched and studied in various companies throughout the world. Organisations have for the past years in South Africa realised that knowledge management, like information technology, is a necessity for the future, if companies want to survive (Harris, 1999:16).

The previous chapter dealt with the strategies used to capture, store and disseminate knowledge in global organisations, with an emphasis on corporate culture, organisational design and organisational strategy. Various cases on KM application are reviewed.

This chapter will deal with the units of analysis of this research paper. Mouton (2001:57), describes the units of analysis in research as the ‘what’ of the study. The concept, simply refers to an object of observation in research. The main purpose of this chapter is to highlight the units of analysis at the Old Mutual, Buffalo City Metropole branch. Data collection procedures that will be used in this research, will be designed together with the questionnaire design and administration, as well as the discussion of an empirical study, including such issues as observation of certain company practices conducive to knowledge management and securing a personal interview.
4.2 UNITS OF ANALYSIS

The type of research design which will be followed in this paper is a non-experimental research design. A non-experimental research refers to observation and a situation of being unable to manipulate the variables in observation (Welman & Kruger, 1999:84).

A simpler explanation of the term implies that it happens when data is collected in a natural environment. None of the variables involved are controlled (Welman & Kruger, 1999:84).

The method of non-experimental research that is used in this research paper is called correlation design. Correlation design means a group of single units of analysis randomly obtained at about the time and each unit of analysis is measured at about two or more variables (Welman & Kruger, 1999:86). In the case of this particular research paper, the units of analysis are both the employees and managers on the one hand, and the company infrastructure on the other hand. All the units of analysis are drawn from one sample: The Old Mutual Group in Buffalo City Metropole.

4.3 DATA COLLECTION METHODS

It is assumed that information, which will be required from the organisation may be proprietary and thus unavailable to an outside researcher. Internal data archives, on the other hand, are usually rarely organised. Thus it will profit the
researcher to seek information from persons experienced in the area of study by tapping into their collective memories and experiences. The approach of this paper will be triangulation.

The E811 Open University course guide (1988), as quoted by Bell (1993: 64) describes “triangulation as gathering of data from various informants and a number of sources and subsequently comparing and contrasting one account with another in order to produce as full and balanced a study as possible. The following triangulation procedure will be adopted to collect data and solve the main and sub-problems of the paper:

4.3.1 Empirical Survey

Cooper and Schindler (1998:134) describe the objective of an empirical survey as being “explorative, that is to learn the who, what, when, where and how of the topic”. The research will use elements of an empirical study such as sampling, questionnaires, personal interviews and simple observation to collect data.

4.3.2 Sampling

Samples are divided into probability and non-probability samples (Kruger and Welman, 1999:47). Probability sampling is a form of random sample selection, which ensures that each member of the population to be researched gets a zero chance of not being selected (Cooper and Schindler, 1998:218). Non-probability
sampling, on the other hand is non-random and subjective in nature and each member does not have a non-zero chance of being included.

For the purpose of this research, a probability sample will be used. It is unrestricted and each employee and manager has a known and equal chance of being selected. A sample will be drawn from the organisation’s population (Cooper and Schindler, 1998:238).

The researcher would request a complete and correct list of the company managers and employees in the Buffalo City Metropole area. From the list, a random sample of 50 employees for administering questionnaires would be made. The list would not be limited by factors such as the age, number of years in service, as well as the position of the respondents.

4.3.3 Questionnaire Construction

The writer will use a structured questionnaire with both open-ended and closed ended multiple-choice questions using ranking likert scale methods of constructing a questionnaire (Neuman, 1997:160). The questionnaire will then be divided into three sections. The first section will deal with the demographics, the age, sex, position, service period, occupation and area of resident of the respondents. The second section will analyse the respondents’ opinions and perceptions, with the hope of establishing the organisation’s culture in relation to
KM. The third section will deal with an infrastructural assessment of KM tools, methods and techniques used by the organisation (See Annexture 4.1).

4.3.4 Questionnaire Administration

By using both closed and open-ended questions, the disadvantages of each of them can be eliminated (Neuman, 1997:24). Questionnaires are used most often in research when measuring attitudes, opinions and beliefs. Questionnaires would be administered to the research site in person. Employees and managers would be given a period of one week to answer the questionnaire, and the questions would be mutually exhaustive and exclusive. The reason for administering the questionnaire to employees is that, it is assumed that they can be able to answer the questions at their own time without any pressure from the researcher.

4.3.5 Structured Interviews

A personal interview is a way in which a sample is interviewed in person by the researcher or a trained interviewer (Neuman, 1997:32). Questionnaire as well as personal interviews will be used for managers The reason being that some of the non-verbal cues cannot be ascertained when using a questionnaire. Both personal interviews as well as participant-observation will help us to eliminate, researcher bias and ascertain verbal cues.
The other reason for using an interview with managers is that it is less time consuming and a better tool of assessing opinions and beliefs as the researcher is in complete control of the interview situation (Welman & Kruger, 1999:164). In an interview the researcher will ensure that all the answers to the question are adequate and are relevant to the question’s objectives. A short interview of 10 to 15 minutes would be requested with managers. All the responses from the interview would be recorded, through the use of a video camera and notes will later be reviewed in order to prepare a report (See Annexure 4.2).

4.3.6 Simple Observation

Observation involves monitoring behavioral and non-behavioral conditions through listening, reading and touching (Cooper and Schindler, 1998: 365). Observation in this case will help gather information that has been left out by respondents intentionally or un-intentionally. Observation also helps to capture the object of study in its natural environment as well as establish if there is a correlation between what was observed and the responses from the questionnaires and interviews. Observation in this research will be done in analysing the company’s infrastructure. The company infrastructure would be analysed using the balanced scorecard (BSC). This balanced score-card was invented by Robert Kaplan and David Norton, as a knowledge measurement tool in organisations (Ahmed, Kok and Loh, 2002: 101).
The scorecard is believed to be a multi-dimensional measurement tool, which measures knowledge in three areas: the financial perspective, the human-customer perspective and the business process perspective. The financial perspective addresses the issues that help create value to the stakeholders such as investment in IT. The human customer perspective measures issues such as how well the organisation caters for its customer and employee needs. The business process perspective measures the methods the organisation uses to develop knowledge within its stakeholders, and how well it manages that information when developed (Ahmed, Kok and Loh, 2002:102). An observation checklist will be used to assess the organisation’s infrastructure, so as to rule out any possibility that the researcher may unsystematically measure elements outside the observation checklist (See Annexure 4.3).

4.4 DEMARCATION OF THE RESEARCH SITE

Qualitative and quantitative researchers use many ways to present data. Some researchers use diagrams and charts and others use graphics and tables (Silvermann, 2000:89). This section will present the demarcation and demographics of the research site.

4.4.1 Results of the Office analysis

Table 4.1, depicts the height, length and width of the customer service and sales department. It also represents the size of the population.
Table 4.1 Customer service and sales department

<table>
<thead>
<tr>
<th>Customer Service and Sales Population</th>
<th>Height</th>
<th>Length</th>
<th>Width</th>
</tr>
</thead>
<tbody>
<tr>
<td>40</td>
<td>3.5 m</td>
<td>20 m</td>
<td>15.5 m</td>
</tr>
</tbody>
</table>

4.4.2 Office Demarcation

Table 4.2 depicts the height, length and width of the information processing and data capturing departments, as well as the population size.

Table 4.2 Information processing and data capturing department

<table>
<thead>
<tr>
<th>Information Processing And Data Capturing Population</th>
<th>Height</th>
<th>Length</th>
<th>Width</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>3.5 m</td>
<td>7.5 m</td>
<td>4 m</td>
</tr>
</tbody>
</table>

4.4.3 Site Demarcation

Table 4.3 depicts the population size, the number of questionnaires distributed and the number of questionnaires received from the company SBUs.

Table 4.3 The demarcation of the research site

<table>
<thead>
<tr>
<th>Strategic Business Units</th>
<th>Population size</th>
<th>Number of Questionnaires Distributed</th>
<th>Number of Questionnaires received</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Services</td>
<td>20</td>
<td>20</td>
<td>8</td>
</tr>
<tr>
<td>Sales and Marketing</td>
<td>20</td>
<td>20</td>
<td>7</td>
</tr>
<tr>
<td>Information Processing</td>
<td>10</td>
<td>10</td>
<td>5</td>
</tr>
<tr>
<td>Totals</td>
<td>50</td>
<td>50</td>
<td>20</td>
</tr>
<tr>
<td>Percentage</td>
<td>20/50 X 100 = 40% of questionnaires were received.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
It was discovered that there is a correlation between the number of respondents in a particular office and the size of an office and also the population size in a business unit and the number of questionnaires returned. The smallest offices, such as the information processing, yielded the smallest number of responses whereas the bigger offices such as customer service and sales department yielded a much bigger number of responses.

4.5 DEMOGRAPHICS

The study respondents were presented with a questionnaire containing several statements to assess their perceived importance of KM practice in Old Mutual, Buffalo City Metropole. This section presents a graphical representation of the results collected from the demographics section of the questionnaires.

4.5.1 Study Finding

Figures One to Three reflect the demographic distribution of the respondents in terms of the age group, gender and the number of years serving Old Mutual, Buffalo City Metropole.

4.5.2 Distribution of respondents by age

The figure below, represents the age group of all the respondents in percentage form. 30% of the respondents were between the age of 21-30 years. 55% of the respondents are between the age of 30-40 years and 15% is between the age of 40 and above.
4.5.3 Distribution of respondents by gender

The figures below discuss the responses in relation to gender. 13 out of 20 respondents were females and 7 out of 20 were males.
4.5.4 Distribution of respondents by number of years servicing the company

30% of respondents have worked for Old Mutual for 1-5 years. 60% have worked for the company for 5-10 years. While, the remainder of 10% has worked for the company for a period of 10 and above years. 60% of respondents who have worked for the company for a period of 5-10 years are familiar with the concept of knowledge management. They have heard about from one or more sources to be listed in Chapter 5 below. This scenario is illustrated in the figure below.

4.5.5 Occupation status

Respondents were asked what was their occupation at Old Mutual. The results in Table 4.4 reflect that a number of 20 members from the sample population responded. Out of the 20 professionals who responded, there were 4 client services consultants, 5 sales representatives, 4 clerks, 1 financial adviser, 1 marketer and 5 data capturers. These respondents were drawn from a sample
of 50, which was spread randomly among the company’s major strategic business units.

Table 4.4  Summary of Responses

<table>
<thead>
<tr>
<th></th>
<th>Responses</th>
<th>Total number of questionnaires</th>
<th>Questionnaire % response</th>
<th>% of population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Client services</td>
<td>4</td>
<td></td>
<td></td>
<td>20</td>
</tr>
<tr>
<td>Sales representatives</td>
<td>5</td>
<td></td>
<td></td>
<td>25</td>
</tr>
<tr>
<td>Clerks</td>
<td>4</td>
<td></td>
<td></td>
<td>20</td>
</tr>
<tr>
<td>Financial adviser</td>
<td>1</td>
<td></td>
<td></td>
<td>5</td>
</tr>
<tr>
<td>Data Capturers</td>
<td>5</td>
<td></td>
<td></td>
<td>25</td>
</tr>
<tr>
<td>Marketer</td>
<td>1</td>
<td></td>
<td></td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td>20</td>
<td>50</td>
<td>40</td>
<td>100</td>
</tr>
</tbody>
</table>

4.6 SUMMARY

This chapter gave a detailed description of triangulation as a tool of research which will be used to collect primary data. The last part of the chapter dealt with the demographics and the demarcation of the research site. The next chapter will deal with data analysis and interpretation of results.
CHAPTER 5

ANALYSIS OF RESULTS AND DISCUSSION.

5.1 INTRODUCTION
In chapter one the main problem of the research was outlined as being an analysis of KM practices in the Old Mutual, Buffalo City Metropole branch. A list of research questions was then posed in order to solve the main problem. The statements in the questionnaire were also designed in such a way that they facilitate answers to the research questions posed. Part two of the questionnaire dealt with an analysis of the organisational culture. In this chapter an attempt is made to focus on the statement, analysis and interpretation of the results of the study.

According to Neuman (1997:426), ‘The word data analysis means a search for patterns in data such as recurrent behaviors, objects or a body of knowledge.’ Once the pattern is identified, it is interpreted in terms of how much it answers the underlying research questions.

5.2 DATA ANALYSIS
The dominant methodological bias of the study was towards qualitative methods which were extensively employed in collecting data.
The method used in analysing data is called successive approximation. Successive approximation is a process of analytical comparison, where the researcher begins to probe through the data from research questions to start generating a pattern of thought or a cycle of behavior which indicates how well the answers reflect on the questions of the study (Silvermann, 2000:89).

5.2.1 Ascertaininorganisational culture

Respondents were asked to indicate whether yes or no on a number of statements designed to ascertain the culture of the organisation. The table below indicates a positive response towards familiarity with the concept of knowledge management among the respondents. Most of the respondents have heard of the concept from one or other sources listed in Table 5.2, below. Familiarity with the concept does not, however, necessary indicate the level of KM practice within the company.

The practice of teamwork yields a negative response, as very few respondents felt teamwork is practiced within the organisation. Teamwork is part of a knowledge based organisation, according to Liebowitz and Beckman (1998:21). In order for a firm to be a knowledge organisation, promotion of the sharing of values and knowledge has to be preserved. The best way to implement that is an emphasis on team effort. There are also other issues involved when measuring
the practice of KM, such as sufficiency of resources to execute tasks and flexibility of tasks. The responses on these issues are negative.

**Table 5.1 Organisational Culture**

<table>
<thead>
<tr>
<th>Factors</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Familiarity with the concept of KM</td>
<td>11</td>
<td>90</td>
</tr>
<tr>
<td>Practice of team work within the department</td>
<td>8</td>
<td>12</td>
</tr>
<tr>
<td>Tasks that are tightly defined and routine</td>
<td>11</td>
<td>9</td>
</tr>
<tr>
<td>Sufficiency of resources to undertake tasks</td>
<td>18</td>
<td>20</td>
</tr>
</tbody>
</table>

**5.2.2 Sources of knowledge about the concept**

Respondents were asked *where did they first hear about the concept of knowledge management*. A list of possible sources was presented. As shown in Table 5.2, the Internet and work emerged as the most significant sources for understanding the concept of knowledge management. The Internet earned 25 percent whilst work also earned 25 percent. These two factors received equal ratings. Newspapers were given a second rating with only 5 percent; all other factors receiving a zero rating. This means that 55 percent of the respondents have heard about the concept of KM from work or from the Internet. The remaining 45 percent have never heard about the concept. What is most interesting is that, the respondents rated work and the Intranet as the highest sources of knowledge of the concept, because they accessed the Internet at their work place, as it shall be noted later, when an analysis of the results from the observation checklist is presented (See Annexure 4.3).
Table 5.2 Sources of KM knowledge.

<table>
<thead>
<tr>
<th>List Of Sources</th>
<th>Responses</th>
<th>% Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internet</td>
<td>5</td>
<td>45</td>
</tr>
<tr>
<td>Television</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Radio</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Newspapers</td>
<td>1</td>
<td>9</td>
</tr>
<tr>
<td>Work</td>
<td>5</td>
<td>45</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>11</td>
<td>100</td>
</tr>
</tbody>
</table>

5.2.3 State of decision-making within the business units

Respondents were asked if the decisions were made centrally in their departments. They were given the following options to choose from, always, occasionally and never. The below findings indicate that 65 percent of the decisions in the customer and sales department are made centrally with less consultation. In the information processing departments only 10 percent of decisions are centrally made. This indicates a degree of imbalances in the way decisions are made within the two departments of the same company. The information processing department, including data processing, financial management and information technology, has a less hierarchical system of decision making, considering that out of 6 respondents in the department, 4 respondents gave a positive response. In the overall 75 percent of decisions are made centrally within the company. According to Botha and Van Rooyen
(2000:29), central decision making in any company becomes less conducive for a culture of knowledge management to take place. This is due to the fact that decentralisation of knowledge and sharing among the employees helps in making knowledge an organisation’s corporate asset.

Table 5.2 Decision-making Patterns

<table>
<thead>
<tr>
<th>Customer Service And Sales Department</th>
<th>Always</th>
<th>Occasionally</th>
<th>Never</th>
<th>Total</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>13</td>
<td>1</td>
<td>0</td>
<td>14</td>
<td>70</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Information and Data Capturing Department</th>
<th>Always</th>
<th>Occasionally</th>
<th>Never</th>
<th>Total</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2</td>
<td>4</td>
<td>0</td>
<td>6</td>
<td>30</td>
</tr>
</tbody>
</table>

5.2.4 Behavioral assessment

Respondents were asked to rank the above factors on a scale of 5 to 1, according to practice or non-practice in their organisation. 4 and 5 indicates practice, 2 and 1 indicates non-practice whilst 3 indicates not sure. Table 5.4 below, indicates the six factors, which the respondents were asked to rank. Each factor was ranked on a scale of 1 to 5 according to practice or non-practice in the workplace. 1 and 2 indicated negative responses, whereas 4 and 5 indicated positive responses. The middle number, 3, indicated a state of being unsure (See Annexure 4.1). This means for each factor, there were 20 ranked responses, equivalent to the number of questionnaires received from the respondents.
Table 5.4 Behavioral Assessment

<table>
<thead>
<tr>
<th>Factors</th>
<th>Practice</th>
<th>Non-Practice</th>
<th>Unsure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Collaboration</td>
<td>7</td>
<td>10</td>
<td>3</td>
</tr>
<tr>
<td>Offering of performance related support and newcomer socialisation</td>
<td>16</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Promotion of competition among co-workers</td>
<td>12</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>Making employees to feel valuable</td>
<td>9</td>
<td>1</td>
<td>10</td>
</tr>
<tr>
<td>Appraising performance and rewarding accordingly</td>
<td>12</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>Reward of quality work</td>
<td>14</td>
<td>3</td>
<td>3</td>
</tr>
</tbody>
</table>

The next section deals with part three of the questionnaire. The main focus of this section is the infrastructural analysis of the company, Old Mutual, Buffalo City Metropole branch.

5.2.5 Infrastructure display and presentation

Respondents were asked to rate the quality of information at their disposal. They were also asked the speed at which they can acquire information should a need arise as well as the availability of a digital library. The percentages below reflect a summation of all the responses.

About 85% of the respondents responded positively to the question on the availability of a database, where one can access company information such as its products, processes and services. This indicates that the company does to a certain extent practise KM by using mostly IT tools. Botha and Van Rooyen
(2000:31), however, ascertain that effective KM goes beyond information management and requires creating a collaborative, supportive culture among employees and eliminating traditional rivalries.

A maximum of 75% of the respondents indicated an unavailability of a digital library in their organisation. It was observed from the responses that the company tends to put much emphasis on the use of IT tools as a drive on KM practice. The rest of the respondents could not separate a digital library from a Document Management System. The human involvement on KM tends to be easily ignored. Hanley and Dawson (2000:323) stress that “Knowledge does not live by IT alone, even the most user friendly tools would not help much with managing knowledge unless they are strongly linked to people and processes”.

Table 5.5 Infrastructure Assessment

<table>
<thead>
<tr>
<th>Facility</th>
<th>High</th>
<th>Low</th>
<th>Neither</th>
</tr>
</thead>
<tbody>
<tr>
<td>How would you rank the type of information quality you get when faced with problem-solving?</td>
<td>50%</td>
<td>20%</td>
<td>30%</td>
</tr>
<tr>
<td>Fast</td>
<td>Slow</td>
<td>Neither</td>
<td></td>
</tr>
<tr>
<td>How would you rank the speed which you are able to solve problems for a supplier or customer?</td>
<td>60%</td>
<td>10%</td>
<td>30%</td>
</tr>
</tbody>
</table>
Table: 5.6 Infrastructure display and presentation

<table>
<thead>
<tr>
<th>Availability of a database with information on company products, processes and services</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>85%</td>
<td>15%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Availability of a digital library or Central database where company’s case histories and problem-solving techniques are stored.</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>25%</td>
<td>75%</td>
</tr>
</tbody>
</table>

5.2.6 Decision-making and communication

A choice of five options was given to respondents to indicate the likely behavior, they would engage in, when faced with quick decision-making in their respective tasks. The results are summed in the table above. According to research conducted in leading knowledge management companies, question number four on the table, indicates the most positive behavior found in many leading KM companies in the world. This is affirmed by a study conducted on North American’s most admired knowledge management enterprises. Clarica Life Insurance, a Canadian-based company constantly encourages innovation, knowledge sharing and value creation among its employees, through use of interactive technologies such as the Extranet, bridging gaps between human knowledge and technology (North American most admired knowledge enterprises, 2002:4). Only 40% of respondents identified themselves with the question four of the table. A total of 60% of respondents would either consult with colleagues or engage in own research using available sources when faced with making decisions.
Table 5.7 Cultural analysis

<table>
<thead>
<tr>
<th>Respondents were asked to indicate their most likely behaviour.</th>
<th>Number of responses per question</th>
<th>Response percentage</th>
<th>Total (%) of respondents</th>
<th>Overall (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do you conduct decision-making based on personal experiences with less consultation.</td>
<td>1</td>
<td>5%</td>
<td>40%</td>
<td>100%</td>
</tr>
<tr>
<td>Make use of colleagues and always engage team effort in decision-making</td>
<td>11</td>
<td>55%</td>
<td>40%</td>
<td>100%</td>
</tr>
<tr>
<td>Make use of computer technologies when faced with decision-making</td>
<td>8</td>
<td>40%</td>
<td>40%</td>
<td>100%</td>
</tr>
<tr>
<td>Use both your colleagues and technological research in order to make decisions</td>
<td>0</td>
<td>0%</td>
<td>40%</td>
<td>100%</td>
</tr>
<tr>
<td>Non of the above</td>
<td>0</td>
<td>0%</td>
<td>40%</td>
<td>100%</td>
</tr>
</tbody>
</table>

On the last question the respondents were given three options of likely exhibited behaviour to choose from in order to ascertain formal communication channels within the organisation. The options and the responses are listed in the figure 5.1 below.
60% of respondents indicated the use of knowledge management systems such as the electronic mail and the intranet as the most common channel of communication.

It can be noted that 50% of these respondents were either data capturers or work as sales representatives. Respondents in other fields such as financial advisers, as well as client services, indicated that most communication was either oral or written using mostly meetings.

5.2.7 Participant Observation Report

This report is based on the data collected from Old Mutual using the observation Checklist, see, Annexure 4.3. The checklist was used to observe the availability of the following infrastructural tools using the factors below:

(i) financial measurement;
(ii) business process measurement,
(iii) measuring customer and human processes.
In analysing the results the researcher has used the following table.

<table>
<thead>
<tr>
<th>Observable factors</th>
<th>Observable Data</th>
<th>Report</th>
</tr>
</thead>
<tbody>
<tr>
<td>01 Financial</td>
<td>Yes</td>
<td>The company invests 30% of its budget mostly in IT management tools and personnel.</td>
</tr>
<tr>
<td>Investment in IT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>02 Business Processes Provision of Intranet</td>
<td>Yes</td>
<td>All observable workstations within the company have access to both Internet and Intranet on their desktop.</td>
</tr>
<tr>
<td>03 Practice of Job Rotation</td>
<td>No</td>
<td>There was no sign of job rotation practice within the company, hence the existence of highly specialised and defined tasks.</td>
</tr>
<tr>
<td>04 Facility for frequently asked questions</td>
<td>Yes</td>
<td>All workstations have an access to e-mail and suggestion boxes.</td>
</tr>
<tr>
<td>05 Provision of e-mail and groupware systems</td>
<td>Yes</td>
<td>All staff workstations have an access to e-mail.</td>
</tr>
<tr>
<td>06 Facilities such as meeting areas and tea rooms</td>
<td>Yes</td>
<td>Available in all departments.</td>
</tr>
<tr>
<td>07 Reward systems e.g. Prize for employee of the year</td>
<td>Yes</td>
<td>Monetary rewards in the form of commission are given to such jobs as sales representatives, who are on target. Cash bonuses are also given to office management staff for excellence.</td>
</tr>
<tr>
<td>08 A formalised KM centre</td>
<td>No</td>
<td>KM is decentralised, in the sense that each department manages its knowledge and the departments are not inter-linked to a single network.</td>
</tr>
<tr>
<td>09 Promotion of informal networks</td>
<td>No</td>
<td>Promotion of informal networks depends on the individuals within the organisation and is not necessarily a company's prerogative.</td>
</tr>
<tr>
<td>10 Human and customer relations Customer visits to the company</td>
<td>Yes</td>
<td>No strict rules in relation to this. Customers can visit as and when they please.</td>
</tr>
<tr>
<td>0.11 A habit of listening to customers’ suggestions</td>
<td>Yes</td>
<td>The company's Internet site provides such a facility for customers to send suggestions, ask questions as well as various departments within the company.</td>
</tr>
<tr>
<td>0.12 Employee performance rating</td>
<td>Yes</td>
<td>There is a formal performance management system in place. It is based on objective setting or management by objectives. Employees are measured on how far they are reaching the set objectives.</td>
</tr>
<tr>
<td>0.13 Employee leadership and motivation facilities</td>
<td>Yes</td>
<td>Employees are frequently taken through various skills development and training courses as well as self development courses.</td>
</tr>
<tr>
<td>0.14 Giving employees time for training</td>
<td>Yes</td>
<td>Various skills development courses are offered.</td>
</tr>
</tbody>
</table>
5.3 Structured Interview- Analytical Presentation

For the purposes of determining if management view knowledge as a resource that can improve competitive advantage, a structured in-depth interview was conducted on 10 January 2003. This interview was held at the Old Mutual, Buffalo City Metropole Branch in Oxford Street East London with Mr Marafana, a Manager for Customer services, Sales and Marketing. The interview was recorded using note taking, with the permission of the respondent.

The interview lasted for about 30 minutes and was characterised by a relaxed atmosphere that allowed for a greater use of a discussion approach. The respondent answered all specific questions from the prepared interview schedule and also expressed opinions on issues, which arose from the conversation. The knowledge of the official elicited a considerable amount of very useful and relevant data. The data gathered from the interview questions, provided an answer to an important research question of establishing management’s view of knowledge management as a resource that can improve competitive advantage.

On being questioned about the role he plays in the company, the official serves as a manager for both customer services and customer relations, managing both the customer services and sales representative personnel. The official views himself as an advocate for effective use of technology to further organisational goals through customer relations, marketing and interaction. To him knowledge management is a way of leading organisations into effective use of technology, through maximising knowledge. For example selling company’s products online or streamlining the company’s supply chain and serving customers in new ways, requires a system of capturing and codifying knowledge that will help the company create a good profile of the customers it serves.
Knowledge management is also about changing the way people work and think and as a manager, he is responsible for managing that process. For example people should not just view technology as it is, but must endeavour to fuse IT hardware and its applications in order to drive the business and increase productivity.

The major KM challenges that are facing Old Mutual today are customer systems and customer relationship management type of knowledge systems. This means that there is a need to ensure that all systems especially those with customer data are secured and integrated within the company. The interviewee further felt that the best way to manage knowledge is to ensure that there is a good communication channel within the organisation and a sound knowledge management culture. The culture must be able to influence and sustain the way people work and think in terms of supporting KM initiatives.

It was determined from the interviewee that no formal knowledge centre existed within the branch, though in some huge branches, like the head office in Cape Town, there is such a facility. The culture of KM can be maintained through management of collaboration within the various company departments. The major challenges that KM holds for Old Mutual, include such issues as, sustaining the environment which is conducive for KM to grow. Any system of KM that is in place has to deliver the bottom line results of providing good service that the customers expect, according to the interviewee. If there are any tips on KM in the business sector, it would be that people do not really like to share the things that they believe give them power. Knowledge is most certainly one of those. Each and every company has a challenge, therefore, to ensure that every, customer and employee benefits from knowledge sharing. If employees for example, feel they are just giving and not receiving anything, the system will fail.

In analysing the responses from the interview, it can be ascertained that the managers within the company are well aware of what is needed to maximise
knowledge management. The role that KM can play as a resource in the company, is ascertained from the managers conviction.

5.4 SUMMARY

It is noteworthy that the company has all the necessary information sources, as reported in the observation checklist (For example, 11 out of 14 factors used to benchmark KM practice in the company are present). That means that there is a 78% chance of KM operating successfully within the company and giving the organisation a competitive advantage. However, it is also interesting to note that the knowledge within the company is loosely structured and scattered in all departments. This is due to a lack of guidance and uniformity in terms of operations. For example the customer and sales staff, are involved in rigid monotonous jobs that are not conducive to knowledge creation and yet these constitute about 80% of the company population. Marketers and financial advisers, on the one hand, have a more relaxed environment and less defined and routine tasks that create a culture of knowledge sharing and creation. Participant observation is to a certain extent practiced by the company, depending on how each person views it. The next chapter will deal with conclusions and recommendations.
CHAPTER 6

CONCLUSIONS AND RECOMMENDATIONS

6.1 INTRODUCTION

The preceding chapter has presented the statement, analysis and discussion of the results of the study. In the first part of this chapter, the main conclusions of the study are highlighted and followed by fairly detailed recommendations regarding the practice of KM in Old Mutual, Buffalo City Metropole branch.

6.2 CONCLUSIONS

The main conclusions of the study pertain to the following sub-problems:

(i) **Sub-Problem 1**, what information sources and infrastructure components of the organisations are beneficial to KM;

(ii) **Sub-Problem 2**, does management view KM as a resource that can improve competitive advantage;

(iii) **Sub-Problem 3**, to what extent is the organisations’ culture conducive to the implementation of KM strategy.

Sub-Problem 1 relates to infrastructural resources examined in the study. It must be noted that, the company is still hierachical in terms of structure. There is an element of rigid command and control, though in some departments there is flexibility, proactiveness, team orientation and a dynamic environment. Lack of holism, in the way departments are structured, can hinder the free flow of KM practice.

In the customer services or client services department and data capturing departments it is almost impossible to share information, since employees are socialised into a reporting line type of an environment. There is lack of interaction...
across different departments for purposes of transferring knowledge. Although all departments and all staff basically have an Intranet, the Intranet and its use is not necessarily maximised. Higher levels of communication and team-work are virtual and can be attributed to using the Internet more instead of an Intranet. On some elements such as special accomplished and successful company projects, less than a quarter of these can be found on the Intranet. As much as the Intranet exist in the organisation, it is not necessarily the driving force of collaboration within the company. As a result of this, KM practice is fragmented and there is no common company wide, knowledge base.

Sub-Problem 2, relates to management’s view regarding KM as a resource to improve competitive advantage. It has been ascertained that managers feel the need and necessity to value company knowledge. Any system of knowledge should be measured against its ability to improve growth, improve company operations and increase company profit margins. Generally managers at the Old Mutual Buffalo City Metropole support and practice KM with special emphasis on document management that requires prioritisation. The pitfalls experienced by many companies, including Old Mutual, is the fact that information is scattered all over the company and therefore the possibility of SBU’s, developing the same type of information therefore creating redundancy is high. This can eventually negatively affect the bottom line inputs.

In analysing Sub-Problem 3, the cultural aspect of the research problem, it has been identified that 87% of the respondents rated the company to have a conducive culture towards the practice of KM. Issues such as reward of quality work and offering of performance related support, were rated high on the list of practised employee cultural aspects. Collaboration between departments was rated low, due to other factors such as different academic backgrounds, educational qualifications and cultural backgrounds of the research population. This indicated a system of inadequate care of organisational relationships from
company management. There is a lack of formal strategy for creating a community of sharing ideas.

11 out of 20 respondents indicated that they heard and learnt about the term KM from work, Internet or the Intranet. About 60% of the respondents indicated that they would first seek the use of the available KM tools such as Internet, Intranet and databases, should they encounter any problem before they would initiate a written or verbal communication with their colleagues. About 50% of these are data capturers and client services personnel. This lack of communication with their colleagues is caused by deficiencies in English and verbal skills as ascertained by Chinying Lang (2001:55).

The social construction of knowledge occurs largely through narrative language, hence creation of knowledge requires good verbal skills in expressive spoken as well as written English. In many countries even college graduates grasp inadequately and incompletely the syntax of standard English (Chinying Lang, 2001:55).

6.2.1 The Old Mutual’s Capacity For KM

A number of issues that are relevant in understanding the company’s status quo, are presented below.

The primary goal of business is to satisfy the needs and expectations of customers. Research revealed that it is only by satisfying the customers that you can guarantee the long-term success of your business. Old Mutual Group is faced with the challenge of changing their traditional way of doing business to operate as a profit driven entity in the competitive market environment. Its main function is to provide basic life assurance products in the country, and it is one of
the major players providing it in the country. Previous research indicates that the
company aims to provide customer centric focused service to its customers and
the return in investment for the shareholders. The research also shows that due
to the common changing legal/political and legislative situation in which the
organisation operates, it finds itself compelled to conform to these macro-
environmental factors in order to render a client centric service. The employees
of the organisation are a major resource that can be used to achieve the
business goals (Marafane, 2002:2).

Some of the challenges faced by the company are:

(i) The company's need to resolve the apparent tension between being
nationally responsive and being able to share the Group's collective
learning and knowledge;

(ii) The need to become more client-focused, the need to develop a local pool
of talent in its employees so as to foster cultural diversity and the
development of trust between the customer and corporate
representatives;

(iv) The need to develop the brand equity of Old Mutual by insisting on the
preservation of the core values of Old Mutual of integrity, quality,
openness and empowerment (Weir, 1998: 3).

The following conclusions can be drawn about the company's capacity for KM:
(i) The company has the necessary facilities and IT tools to have a sound KM
practice in place;
(ii) The company has a good performance management system to facilitate positive competition among employees;

(iii) Managers are well informed and realise the value of KM in creating a company’s competitive edge;

(iv) Overall organisational culture is conducive to KM;

There are, however, some areas which require improvement in order to facilitate a sound KM practice within the company, such as;

(i) The lack of promotion of team effort in some departments;

(ii) The rigidity of tasks, that are tightly defined in some departments;

(iii) No centralised KM structure in place;

(iv) Inconsistency in the way communication channels flow within the company as they differ from each business unit.

A real task lies ahead with the Old Mutual, Buffalo City Metropole. There is a need to create knowledge, not only from its existing IT systems, but of connecting people to people, to enable them to share what expertise and knowledge they have at the moment. A new IT architecture that is flexible, open, respectful of individual users and user friendly in nature is needed. This requires a knowledge management technique that is linked to a corporate strategy.

6.3 RECOMMENDATIONS

The foregoing conclusions underlie the necessity for specific recommendations, regarding the practice of KM in the Old Mutual Buffalo City Metropole, a critical purpose of the study. The following recommendations will be on how to effectively and efficiently plan and implement a sound KM strategy that will give the organisation a competitive edge. The recommendations are specifically based on the findings and conclusions drawn from the research conducted in respect of the particular company. There are therefore, no hard and fast rules on how to implement KM in any company.
6.3.1 Stage One - Create and Implement a Sound KM Strategy Within the Organisation

A number of specific measures are required for implementing a KM strategy in any organisation thereby improving the value of inputs and the return on investment. Soliman and Spooner (2000:337) believe that the first rule for implementing a successful KM practice in an organisation is to align the KM strategy with the company strategy and the human resources strategy.

This situation requires looking at KM from two perspectives:
(i) The role of human resources knowledge;
(ii) The goals of the organisation.

a) Human Resource Knowledge

The organisation can first find drivers for human resource knowledge. The organisation can then instill commitment to generate knowledge from the human resources executives, by rewarding collaboration efforts between employees. The enterprise must also have a way of capturing and organising employees’ knowledge and expectations (things that employees would like to see happening). Lastly, an implementation of KM support systems within the human resources department is needed.

b) Goals Of The Organisation

Some of the key strategies that organisations can use in aligning KM practice to organisational goals are:
(I) Deciding on the best approach to KM of the organisation, depending on the type of knowledge that is created;
(II) Identification of the organisation’s market and profitable areas;
(III) Identification of the type of solutions that departments are usually faced with or that are usually made within the organisation.

For example, establish whether the company is making one-off type of solutions or repeated type of solutions. If it is making repeats of earlier solutions, the company needs to invent nearly 80% of its knowledge resources on IT management systems, such as Document Management Software packages. If it is not, the company needs to expend at least 80% on tacit knowledge i.e bring the best minds available. The human resources department has a task of identifying where this tacit knowledge resides. The type of solutions that Old Mutual, Buffalo City Metropole is involved in, requires at least an 80% investment on tacit knowledge (expert knowledge) and a 50% investment on explicit knowledge (timeously required information).

At the moment the company invests highly on IT management tools (document management software packages) in each department. This scenario has created a series of unlinked networks throughout the organisation thereby promoting redundancy. This situation can be improved if a criteria for selecting a virtual team of business expects can be set up. The experts can act as reviewers of knowledge for the organisations (Rosenberg, 2002:8).

6.3.2 Stage Two - Implementing a Digital Library or a formalised Knowledge Centre

The author suggests that in order to drive and implement this KM program within the company, the organisation also needs to create a leadership role to develop and drive the process. For example a Chief Knowledge Officer. In this way the Chief Knowledge Officer has to manage the digital or the electronic library and has the ability to pull together people from different parts of the organisation to work as a team. The Knowledge Manager or Officer must have strategic thinking
skills and he must train staff on collaboration skills and emphasize the importance of such skills. He is responsible for maintaining the KM center and removing irrelevant and out-of-date documents from the entire organisation.

The idea behind a digital library or a knowledge center is to standardise and consolidate company information so that it can be used across the company, for management analysis and decision-making. A digital library is also different from a data warehouse in the sense that there is human interaction or tacit knowledge involved in a digital library whereas a data warehouse is not interactive in nature. Information is just sliced and diced into an integrated customer base (Clarke and Pollo, 2001:210).

### 6.3.3 Stage three - Creation of a knowledge Site Map

The resource map can be created out of an existing internet or any database management software. The map contains major areas of focus within the organisations. In each area of focus on the map, notes are created on the names of groups or persons who communicate with each other, how they communicate and what is shared during communication. For example, it can be displayed that about 4 to 6 meetings per year are conducted in a particular strategic business unit within the company or e-mail is used during communication.

The map can be interactive in nature. Although it requires to be centrally managed, it must allow employees to create new links and do revisions in their areas of expertise and focus. The Resource Map can be linked or be part of the company intranet. An example of a company that operates using this best practice is Chevron Corporation. The website address for the company is (go.chevron.com). Table 6.1 below, shows an example of a proposed Knowledge Site Map for Old Mutual Buffalo City Metropole.
Figure 6.1, shows transmission of knowledge, flow and use. The Intranet links you to a web-page which contains links to various strategic business units and Information processing services, such as collaborative and distribution systems. The information processing constitutes a knowledge center. The center is managed and maintained by the Knowledge Manager/Officer. This is done to maintain a free flow of knowledge within the institution. All the other company intranet webpages eventually link to the Knowledge Centre.

**Figure 6.1 Model For A Digital Library**

![Diagram of a digital library model]

**Collaborative Systems**
- Voice Mail systems
- Electronic mail
- Office systems
- Video Conferencing suites and facilities

**Distribution Systems**
- Decision Support systems
- Expert systems
- Desktop conferencing
- Workflow management

**Source:** Developed from: *Corporate initiatives in knowledge management by Clarke and Rollo, 213.*
The previous chapter focused mainly on the implementation of knowledge management in Old Mutual Buffalo City Metropole. Conclusions were drawn from the results of the research. This chapter has focused on recommendations with specific reference to the establishment of a centralised knowledge center.

In conclusion, the growth of any KM initiative within the company lies in its ability to create, capture and codify both its tacit and explicit knowledge. The cultural and social interaction approaches to KM, discussed in Chapters 3 and 4, capture clearly this concept of effective utilisation of knowledge essential for company competitiveness.

The challenge that lies ahead for the company, Old Mutual, is how to utilise its infrastructure in such a way that both the company’s tacit and explicit knowledge can be made accessible to employees and customers. This would mean changes in the way decisions are made within certain departments, as well as to the effort required to promote team-work.

The company has a good IT base. It needs to link this to its expert systems base. Individual knowledge within the company is still lying hidden somewhere within the minds of the employees. Technology is part of the essential infrastructure of the KM revolution, but it is not necessarily a sufficient condition, nor an end in itself, but a means to an end. To leverage KM, the company needs to enhance both its thinking and storing skills by building a knowledge community that crosses team lines, disciplines, time, space and business units.
ANNEXURE 4.1

Questionnaire

- This questionnaire is designed to collect primary data on a research.

- The aim of the research is to establish how committed South African companies are to knowledge management through conducting an analysis of an organisational culture and an infrastructural assessment of the company, comparing it to employee perceptions, using Old Mutual, East London as a case study.

Importance:
- The study is conducted in partial fulfillment of a Masters Degree in Business Administration with the Port Elizabeth Technikon.
- All the responses written here are private and confidential. You do not have to write your name.
- Your company was chosen, because generally, insurance companies are at the forefront of information processing in South Africa, and Old Mutual is considered to be one of the leading companies in the insurance industry.
- The researcher ultimately aims to make recommendations regarding the practice of knowledge management in the business sector, based on the results of the research thereof.

Instructions:
- This questionnaire is divided into three parts, specifically designed for each of the ‘units of analysis of the research paper’.
- Part (1) deals with demographics
- Part (II) deals with an analysis of the organisational culture and its relation to the support of knowledge management.
- Part (III) deals with an assessment of various information sources and infrastructural components of the organisation that support the practise of Knowledge Management within the company.

N.B Answer All questions. Your co-operation is highly appreciated !!!
PART. I

Demographics (Where options are given please tick the appropriate box)

a) What is your occupation at Old Mutual?

b) In which region are you?

- [ ] Nelson Mandela Metropole
- [ ] Buffalo City Metropole

c) Please indicate your age group?

- 21-30 years
- 30-40 years
- 40 and above

d) Please indicate your sex

- Female
- Male
- Other

e) Number of years working at Old Mutual?

- 1-5 years
- 5-10 years
- 10 and above years
PART II.

Assessment of an Organisational Culture (Please tick where appropriate)

a) Are you familiar with the concept ‘Knowledge Management’?

| Yes | No |

b) If yes, where did you first hear about the concept?

| Internet | Television | Radio | Newspapers | Work | Other |

c) Are decisions in your department made centrally?

| Always | Occasionally | Never |

d) Is there a spirit of team-work in your department?

| Yes | No |

e) Are your tasks tightly defined and routine?

| Yes | No |
f) Do you have sufficient resources provided to undertake the tasks, for which you are responsible?

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
</table>

g) Please rate the following service characteristics according to the order of Practiced or non-practiced in your workplace.

<table>
<thead>
<tr>
<th></th>
<th>Practised</th>
<th>Non-practised</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Collaboration among co-workers, or team effort.</td>
<td>5 4 3 2 1</td>
</tr>
<tr>
<td>2.</td>
<td>Socialisation of new comers and offering of performance related support.</td>
<td>5 4 3 2 1</td>
</tr>
<tr>
<td>3.</td>
<td>Promotion of competition among co-workers.</td>
<td>5 4 3 2 1</td>
</tr>
<tr>
<td>4.</td>
<td>Making employees to feel valuable</td>
<td>5 4 3 2 1</td>
</tr>
<tr>
<td>5.</td>
<td>Appraising of performance and rewarding accordingly</td>
<td>5 4 3 2 1</td>
</tr>
<tr>
<td>6.</td>
<td>Reward of quality work</td>
<td>5 4 3 2 1</td>
</tr>
</tbody>
</table>
PART III. Infrastructural Assessment

a) How quickly or slowly does it take you to acquire information, about solving a particular problem for a client or supplier in your organisation? (Please tick where appropriate)

<table>
<thead>
<tr>
<th>Fast</th>
<th>Slow</th>
<th>Neither</th>
</tr>
</thead>
</table>

b) How would you rank the type of information you usually get when faced with solving a problem? (Please tick where appropriate).

<table>
<thead>
<tr>
<th>High quality</th>
<th>Low quality</th>
<th>Neither</th>
</tr>
</thead>
</table>

c) Please indicate if you have access to the following information sources in your workplace? (Please tick all the sources easily accessible to you).

<table>
<thead>
<tr>
<th>Marketing or business plan of the company or both</th>
<th>Mission statement, vision and departmental strategic plans</th>
<th>Internet</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Intranet</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Record of company’s best practices</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Procedure manuals, policies and conditions of service</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Collaboration systems such as e-mail and facsimile</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Video conferencing facilities, expert systems and decision support systems</td>
</tr>
</tbody>
</table>
d) Is there a database at your disposal in your company, where you can easily access information on company products, processes and services. (Please tick where appropriate).

| Yes | No |

e) When faced with making decisions in your job, have you: (please circle the number next to the statement that best describe your experience)

1. Alone, without any assistance, found the right information needed to make that decision, at the right time for the right person.

2. Relyed on computers as they are important channels of sharing knowledge in your organisation.

3. Relied on team work, as each individual brings one sided views, beliefs and values and by integrating these individuals and departments, your company has more chances to have an effective problem-solving environment.

4. Made use of both computer information and consulted colleagues to get the total quality Information.

5. None of the above
f) Which one of the following work behaviors is commonly practised in your Organisation? (Please circle the number next to the statement you mostly agree with).

1. Use of employees, specifically information workers, and a formal knowledge distribution center (such as an IT services department), to facilitate formal communication.

2. Use of knowledge management systems such as e-mail, intranet, extranet and Internet to facilitate formal communication.

3. Use of oral and written communication such as meetings, notice boards, written reports to facilitate formal communication between employees.

Thank you for your much needed co-operation ! ! !
ANNEXURE 4.2

Structured Personal Interview

Q.1 Please explain your role and position at Old Mutual?

Q.2 What is your understanding of the concept, Knowledge Management?

Q.3 What are the major Knowledge Management issues facing Old Mutual today?

Q.4 What role are you, as a company, playing in managing, sharing and promoting internal transfer of knowledge within the organisation?

Q.5 Is there a formal knowledge centre or a digital library in your organisation?

Q.6 To what extent should employees collaborate with other employees within your organisation?

Q.7 What challenges does knowledge management hold for a company like Old Mutual?

Q.8 Any tips on effective knowledge management in the business sector?
ANNEXURE 4.3

Observation Checklist

The aim of the List: To establish the practice of KM, using an infrastructural analysis, a case of Old Mutual, Buffalo City Metropole.

The KM infrastructure would be observed in terms of
(i) Financial measurement
(ii) Business Process measurement
(iii) Customer perspective

The following items will be observed in terms of Practice or non-Practice.
For all items an X symbol will be used to indicate either Practice or non-Practice

<table>
<thead>
<tr>
<th>Observed Items</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>01 Investment in IT</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Business Processes</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>02 Provision of Internet in all employees’ work stations</td>
<td></td>
<td></td>
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<tr>
<td>03 Practice of job rotation e.g interdependence of tasks</td>
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<tr>
<td>04 Facility for frequently asked questions by customers (FAQ’s)</td>
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<tr>
<td>05 Provision of E- mail and groupware systems</td>
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<tr>
<td>06 Facilities such as Meeting areas and team rooms</td>
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<tr>
<td>07</td>
<td>Reward systems e.g a prize for employee of the year</td>
<td></td>
</tr>
<tr>
<td>08</td>
<td>Resourcing formal knowledge bases, e.g a digital library for staff</td>
<td></td>
</tr>
<tr>
<td>0.10</td>
<td>Promoting Informal networks e.g Golf club or netball team</td>
<td></td>
</tr>
</tbody>
</table>

**Human and Customer Processes**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>0.11</td>
<td>Customer visits to the company</td>
</tr>
<tr>
<td>0.12</td>
<td>A habit of listening to customer’s suggestions</td>
</tr>
<tr>
<td>0.13</td>
<td>Employee performance rating</td>
</tr>
<tr>
<td>0.14</td>
<td>Employee leadership and motivation facilities</td>
</tr>
<tr>
<td>0.15</td>
<td>Giving employees time for training</td>
</tr>
</tbody>
</table>
REFERENCES


Financial Times, May 11, 5.


Newhouse, B. 2001. One size does not fit all the tailored approach to KM. *Knowledge Management Review*, No. 4, September/October 8.


