KNOWLEDGE MANAGEMENT AS A COMPETITIVE EDGE IN A
GLOBAL ECONOMY: A CASE STUDY OF THUTO KE LEFA TRAINING

by

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DECLARATION

I declare that Knowledge Management as a competitive edge in a global economy: A case study of Thuto Ke Lefa Training CC hereby submitted to the University of Limpopo, for the degree of Masters of Business Administration has not previously been submitted by me for a degree at this or any other university; that it is my work in design and in execution and that all material contained herein has been duly acknowledged.

Signature: ______________________________                                   ____________

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ABSTRACT

Knowledge management is an important component of any organization. It includes knowledge creation, knowledge sifting and knowledge sharing. Thus every organization has a way of creating, disseminating and preserving its own knowledge. Organizations that thrive in the 21st century are those that have realized the significance of managing knowledge and have systems in place to encourage creativity.

Most organizations often overlook the aspect of putting time aside for employees to share knowledge and expertise from their different fields. Knowledge, if well managed, has a direct bearing on the growth and development of an organization. Gone are the days when organizations succeeded only on the basis of working hard; the emphasis now is on working smart. Technology has made life easy and simple and more innovative. It has, on the other hand, together with globalization made the world to be smaller. For instance, sales can take place at any place at anytime in the world. Distances, as well as meridian differences, are no longer a barrier in terms of growing a company. Hence, there are virtual companies.

Companies should take it upon themselves to appoint people who are capable of uplifting their knowledge base and enhancing their organization’s intellectual property; they should appoint people who are in a position to learn fast and who can as well adjust to internal as well as to external forces of change. Thus, training and development should form part and parcel of a company that is prepared to move ahead of its competitors. Through the right channels of addressing constant changes that are taking place in the market, the company should have a special way of doing business and of possessing special knowledge that will put it ahead of its competitors.

Special knowledge and expertise has a capability of generating more revenues for the company. Revenues are no longer only determined by the production factors but also by the competitive knowledge that the company possess. Therefore, this implies that for the company to do well, knowledge has to be well managed as it is used to compete in a global economy.

The global economy is affected by a number of dynamics which have to be addressed by smart companies in order for them to stay in business. Knowledge at that level transforms fast, is transmitted at a high level and can quickly become obsolete. Thus companies have to keep abreast of what is taking place in the markets and also become the trendsetters in their area of operation. This is because competition in a
global market is stiff; companies face competitors from various conglomerates at local and international levels.

Therefore this study focuses on how knowledge is being transformed and managed at Thuto Ke Lefa for competitive advantage and as well as for economic benefits. Thuto Ke Lefa Training Company is a national company that is based in Polokwane; it has other branches in Mpumalanga and Gauteng Province. The company specializes in providing service to the public through developing the skills of the workforce in the public as well as in the private sector. The company was founded in 2003 by Mr Mashakobo Johannes Moja and his wife Eunice Moja. Thuto Ke Lefa Training Company is a registered company which is accredited by the Education, Training and Development Practitioners Sector (ETDP SETA).

A case study of Thuto Ke Lefa revealed that the company is well resourced in terms of technology even though some areas have to be beefed up. Various search engines are available for staff to access and create knowledge. However, knowledge is not well coordinated as there is no knowledge manager and there is no centralized place for dissemination and storage of knowledge. Employees do not have the resource person or office that overlooks the creation of knowledge.

The fact that knowledge is not well coordinated at Thuto Ke Lefa makes the company to perform below its actual potential as some of the important knowledge can be under utilized. Therefore, this makes it difficult for the company to measure its capability and its capacity in terms of knowledge. With this being the case, knowledge is not fully used to the advantage of the company.

It was therefore recommended through the research that Thuto Ke Lefa should have a knowledge management office or resource person who will coordinate and manage knowledge. This will enable the company to use its knowledge resources competitively. Literature review has also indicated that knowledge is less managed in the training sector as compared to the other sectors.

It will therefore be imperative for the management of Thuto Ke Lefa to inculcate the culture of knowledge creation, knowledge sharing and knowledge storage through the correct devices. Incentives and rewards should be given to those individuals who work tirelessly to create knowledge. Time should also be set aside for the sharing of knowledge. Experts in different fields should be in the position to know what is going on in the other projects of the company so as to make meaningful contributions.
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CHAPTER 1

INTRODUCTION AND OVERVIEW OF THE STUDY

1. 1. INTRODUCTION

Knowledge management is an essential component of any company that aims to thrive in a global economy. Talukhaba and Taiwa (2009:35) state that knowledge management is mainly concerned with the development and exploitation of the knowledge assets of an organization with the view of furthering the organization’s objectives. It entails all the processes associated with the creation, identification and sharing of knowledge. Allee (1997:7) states that the only thing that gives an organization a competitive edge, sustains it and allows it to thrive is what it knows, how it uses what it knows and how fast it can know something new. Thus the 21st century’s competitive business world demands that knowledge be strategically formulated, accessed, developed and disseminated for the benefit of the organization.

In South Africa knowledge management in the training sector is facilitated through Public-Private Partnership (PPP). In most instances, private companies design, finance, construct and even own the knowledge and operation of a public sector utility or service. Akintoye, Beck and Hardcastle (2003: xix) are of the opinion that the public-private partnerships are now accepted as an alternate to the traditional state provision of public facilities and services. They further argued that the joint approach allows the public sector client and the private sector supplier to blend their special skills and to achieve an outcome which neither party could achieve alone.

Thus knowledge management in the training sector is essential as it improves the attitudes and practices of the employees. It fills on the existing gaps, for example, gaps that are identified in a particular department or section in terms of knowledge, are filled through proper training. Training facilitates knowledge transference, dissemination and application. It helps to build a sustainable organization which promotes transparency, collaboration and innovation. Haggie and Kingston (2003: 1) observe that innovative knowledge enables the company to be a market leader and to change the way the sector works so as to present a significant differentiating factor from other organizations.

Knowledge management and differentiation still pose as a challenge to most of training companies in Limpopo. Mmbengeni and Mokoka (2002:7) point out that Limpopo Province has identified human resources development as part of economic development in the province. They further state that human development through training is necessary because of skills deficiency in the province; and that there was a demand for training strategies that would address the needs of the clients. Thus training companies in Limpopo, such as Thuto Ke Lefa will have to design programmes according to the needs of their customers.
Organizations that thrive are those that are able to address the needs of their customers and are capable of and resolving conflicts. Such type of organizations are organizations that have also realized that the necessity for creating wealth does not only depend on production factors. Amos, Ristow, Ristow and Pearse (2008:1) maintain that it is now generally accepted that in an increasingly competitive global and national economic environment, the competitive advantage of an organization and development no longer lies in its products or technology but in its employees. Kok (2005:2) also agrees that the rise of a knowledge economy has lead to a shift in emphasis from products to knowledge which is perceived as the key to making production and distribution processes more efficient. Thus, intellectual capital has occupied a centerfold in a knowledge economy.

Abell and Oxbrow (2001: 4) maintain that the wealth of a nation no longer depends on its ability to acquire and convert raw materials, but on its abilities and intellect of its citizens and the skills with which organizations harness and develop those abilities. Specializations and expertise have become the order of the day. Firer (2005:1) has also observed that there is a growing demand for knowledge based products and services which revolutionize the structure of the global economy. The knowledge that goes into producing a product has become more valuable than the raw material used. Allee (1997:7) states that today the cost of the information technology in the average car is greater than the cost of the steel. Furthermore, customers are exposed to a wide choice of products and services, have a wide range of economic, ethical and environmental values. Thus, they demand quality products and services.

Organizations are constantly challenged to develop their intellectual capital in order to achieve greater market share. Knowledge economy has since resulted in an evolution and explosion of knowledge. Employees are becoming more valuable together with the amount of contributions they make in the organizations. Ehrhardt and Hough (2007:50) argue that there is a growing awareness that intellectual capital is a key intangible asset for success in today’s and tomorrow’s economic environment. However, this abundant knowledge is also an element for concern as the quality of information available is difficult to sort and control. Gone are the days when employees had to be convinced that external information was also valuable to them. They are now forever consulting widely on issues that affect them in the area of employment and are in a way participating in an art of acquiring knowledge which has to be formally coordinated. Botha and Boon (2008:5) maintain that knowledge in companies rapidly becomes obsolete, skills stagnate and capabilities and competences deteriorate if there is no systematic attention to learning.

Reflective practice which forms an important element of adult learning will have to be implemented. Therefore, this implies that knowledge of employees about their internal responsibilities, as well as their external roles, will have to be constantly reviewed and refined to make it relevant to the ever changing environment. Programmes that will focus on refining skills will have to be developed. Thus learning and knowledge sharing has to be well coordinated.
Competitiveness of companies further depends on their ability to generate knowledge. Relevant information that can stimulate growth in a company should be identified, sustained and utilized effectively. Employees will have to be encouraged to be creative and if possible be rewarded. Innovative and creative organizations are able to revive themselves and stay in the market. This can however be achieved through proper knowledge management strategies. Beyers (2009:2) argues that knowledge management is the first competency an organization needs to develop for the successful management of intellectual capital. He further explained that data leads to information which in turn becomes knowledge, thus knowledge manifests itself in the intellectual capital of the company and it becomes its intellectual property; hence the trade secrets, trademarks, patents and intellectual property rights.

Intellectual capital is essential in any company or organization as it reflects the real worth of that organization. It gives insight into the sustainability and competitiveness of the firm. Intellectual capital, therefore, refers to the collective knowledge of the individuals in an organization. This knowledge can be used to produce wealth, multiply output, gain competitive advantage and enhance value of other types of capital in an organization. Thus, it has to be nurtured and developed. Ondari-Okemwa and Smith (2009: 28) believe that the sharing of knowledge in organizations or departments is of the fundamental functions of any knowledge management programme.

However, most South African organizations including the government have not yet taken this concept of knowledge management seriously. This could be due to a high level of illiteracy in the country whereby individuals are also not confident to share their views and beliefs. Chijioke (2007: 4) observed that a low stock of human capital in the country makes it difficult to secure benefits of the global economy. In contrast, improved human capital in the form of well educated and skilled workforce translates into productivity growth. Globalization requires the workforce that is knowledgeable and innovative and creative in knowledge applications to achieve competitive advantage in their business environment.

The investigation in this study took place at Thuto Ke Lefa Training CC. This is a national company that specializes in providing service to the public through developing the skills of the workforce in the public as well as in the private organizations. Its head office is in Polokwane and was founded in 2003 by Mr Joe Mashakobo Moja and his wife Eunice Moja. Thuto Ke Lefa Training CC is a registered company which is accredited by the ETDP SETA; it had 10 full-time staff that manage the office and a number of consultants and trainers who are called in on the basis of the work available. However, during the study only nine employees remained as one staff member had resigned.

This investigation as conducted at Thuto Ke Lefa will benefit this company as it suggests administrative reforms. The company is also encouraged to develop a culture of knowledge creation, sharing and dissemination. This is done so as to facilitate growth and competitiveness. The in-house training and intranet should also be established as they will add value to the company’s knowledge systems.
1.2. PROBLEM STATEMENT

As far as can be determined, very little research has been done by organizations in the Limpopo Province on how to use knowledge management to provide them with a competitive edge over competitors. Thus, this research will evaluate the practical application of knowledge management at Thuto Ke Lefa Training CC. The research will investigate how knowledge is managed at Thuto Ke Lefa Training.

1.3 RESEARCH QUESTIONS

Since some organizations find it difficult to transform knowledge into a competitive edge, the researcher deemed it necessary to probe into the matter by posing the following research questions to guide the investigation:

1.3.1 Main research question

How is knowledge transformed and used as a competitive edge at Thuto Ke Lefa Training CC?

1.3.2 Subsequent questions

From the main research question the following subsequent questions are posed:

1.3.2.1 How does Thuto Ke Lefa generate and sustain knowledge?

1.3.2.2 How is knowledge shared at Thuto Ke Lefa Training CC?

1.3.2.3 How is knowledge utilized competitively at Thuto Ke Lefa Training CC?

1.3.2.4 What recommendations can be made to Thuto Ke Lefa to improve knowledge management?

1.4. THE AIMS AND OBJECTIVES OF THE STUDY

According to Williams (1995:77), aims and objectives of the study should be formulated in such a way that they will be attainable.

1.4.1 Main aim

The main aim is to investigate how knowledge is managed and developed at Thuto Ke Lefa CC so as to develop guidelines for strategic management of knowledge.

1.4.2 Objectives of the study

The objectives of the study are therefore formulated as follows:
1.4. 2.1 To highlight the importance of managing knowledge at Thuto Ke Lefa Training CC.

1.4.2.2 To provide ways and means of transforming knowledge into a competitive edge at Thuto Ke Lefa CC.

1.4.2.3 To elucidate the benefits of well managed and coordinated knowledge systems at Thuto Ke Lefa Training CC.

1.5 RATIONALE OF THE STUDY

The rationale behind this investigation is to determine the level at which knowledge is generated and shared at Thuto Ke Lefa. This is because most organizations in training are on the lower ladder of managing knowledge. Therefore this investigation will highlight the importance of managing knowledge. It will also demonstrate the significance of transforming data available into information that can be used for decision making purposes. Some organizations overlook the fact that the knowledge they possess can be used as a competitive edge and that it can also be registered as company property.

1.6 SIGNIFICANCE OF THE STUDY

Since the study is a case study at Thuto Ke Lefa, therefore this means that the conclusions made and recommendations arrived at will benefit the said company. However companies and organizations of the same industry can also benefit from the study.

1.7. RESEARCH DESIGN AND METHODOLOGY

Kruse and Louis (2003:165) observe that the development of a careful research plan inclusive of multiple sources of data collected over time can provide longitudinal data elements that will be useful to round off findings. The design of the study is very important as it points out the direction to which the investigation will take and the approach thereof. The design is an essential tool in the hands of the researcher and it therefore demands that it be appropriately laid out.

1.7.1 Research design

The study is designed in such a way that it will follow the qualitative approach of investigation with the focus being on the case study. The rationale behind the use of this approach is to focus on the phenomenon in its natural setting and to get the in-depth understanding of the company. Leedy and Ormrod (2005:134) are of the opinion that the qualitative approach can reveal the nature of certain situations, settings, processes, relationships, systems and / or people.
1.7.2 Research methods

Research methods applicable to this investigation include interviews, questionnaires, structured observations and the study of artifacts or other relevant documents of the company. Interview questions will be structured in such a way that they capture the essence of the responses to the main problem under investigation. Open-ended questions will also be included in the questionnaire in addition to the Likert scale that will be used to collect data.

1.7.3 Population

Training companies are accredited according to their sectors; however this investigation will focus on Thuto Ke Lefa Training CC for intense investigation. Only one case has been used in the execution of this research. Thuto Ke Lefa was identified as suitable to apply this notion of transforming knowledge management into a competitive edge. Neuman (1994: 27) states that a case study research involves an in-depth examination of a few people.

Therefore, all full-time employees at Thuto Ke Lefa Training CC together with its managing director are included in the study. An in-depth observation of the company together with its activities was carried out; interviews were also conducted. Additional data was collected through questionnaires, thus information which was left out during observations and interviews could be captured through the questionnaires. This enabled the researcher to gather as much data as necessary to arrive at plausible conclusions and to make the relevant recommendations.

1.7.4 ETHICAL CONSIDERATIONS

The dignity and privacy of the company and of the individuals involved in the study will be respected. Permission to interview the participants was sought from the company and from the participants themselves. The participants will also be assured that the study does not aim at testing their competency but to get their honest opinion with regard to the matters relating to knowledge management. The privacy and anonymity of the participants will also be guaranteed.

1.7.5 Data collection

Data was collected through the research instrument which is the questionnaire. Appointments were also scheduled for interviews and the permission sought from the company directors to conduct research on the premises. Thus, relevant documents that will put the phenomena into perspective were studied. The researcher also took time to observe the communication channels in the company and the sharing of knowledge and information. Coordination systems and management of knowledge were put into perspective.

1.7.6. Data analysis technique

As soon as data was collected it was sorted, organized and coded. Thus, the biographical data was coded first so that a description of the participants could be
obtained as well as their level of education which plays an important role in a knowledge environment.

Responses from the nine participants were grouped on a Likert scale so as to analyze and interpret data. Patterns of commonality were identified and presented in the forms of graphs and tables. Meaning will also be drawn from the conducted interviews. The statistical package for Social Sciences (SPSS) was used for the overall analysis and interpretation of data. Thuto Ke Lefa is a small company, thus its entire full-time staff formed part of the study. Nine questionnaires were distributed and collected. Interviews were also conducted with the nine employees of the company.
CHAPTER 2

2. LITERATURE REVIEW

2.1. INTRODUCTION

Most organizations have come to realize the significance of keeping knowledge within the organization; hence there are knowledge managers in some organizations to prevent knowledge outward flow. Most South African organizations have the knowledge management systems in place but the challenge is to develop it further into a competitive edge for their companies. This endeavour can, however, be supported by the effective national information infrastructure. Al-Hawamdeh (2003:3) contends that national information infrastructure encompasses a wide and expanding range of facilities that include equipment, policies and regulations, standards and most importantly people development. It ensures access to information and education, protects privacy and security, protects intellectual property, protects competition and promotes technological innovation.

Countries around the globe have embraced the concept of knowledge based economy with less developed countries still lagging behind due to the problems relating to the infrastructure and the high level of poverty amongst the people. Boninelli and Meyer (2004: 47) contend that wealth creation has moved from capital investment to intellectual and relationship capital. This means that the only remaining area for achieving sustainable competitive advantage is through the skilful management of human resource in organizations. However most developmental policies in less developed countries revolve around poverty alleviation strategies rather than on upgrading technology. Technology plays an important role in knowledge management as it facilitates knowledge creation, knowledge capturing, knowledge sharing and transfer, knowledge retention and leveraging knowledge.

Knowledge creation is one important aspect that has to be managed as it involves the discovery of doing things better and even of new products. Grugillies (2007) maintains that acquiring skills and knowledge can turn round organizations and transform lives. Knowledge creation is directly linked to the renewal and regeneration of an organization. Organizations that are likely to thrive in a knowledge based economy are those that are able to stay innovative and manage their knowledge resources better. Organizations should therefore stimulate the minds of employees through experiments, research, observations, training and interaction through relevant technology.

Technology is also essential in knowledge capturing which is another important aspect of knowledge-management. Knowledge collected through various sources is captured and stored in electronic documents to safe space and also to ensure easy access whenever is needed. Valuable information pertaining to customers and their profiles can be captured. The organization can also capture knowledge about suppliers and competitors for the purpose of future planning. Through the knowledge capturing process, organizations can store knowledge for a reasonable time until such time that it can be sent to the archives for further storage.
It is thus important for the organization to develop a culture that will facilitate knowledge sharing. Employees will have to be taught to selflessly share and transfer knowledge amongst themselves in order to add value to the organization. Baron and Armstrong (2008: 5) stipulate that the concept of human capital is concerned with the added value people provide for organizations. Therefore the right technologies in most organizations also enables employees to add value through sharing and even transfer of knowledge through e-mails, online discussions, video-conferencing and websites not mentioning Face-book and Twitter. Knowledge sharing is even extended beyond the boundaries of organizations. Al-Hawamdeh (2003:2) states that the flow of information is no longer inhibited by geographical boundaries.

Valuable information that has circulated internally for the purpose of building the organization will have to be retained. Policies should be put in place to ensure that information is not just indiscriminately distributed to the competitors. It will thus be possible for security codes to be created for access to other valuable information. The organization should also consider registering some information as patents; such knowledge will then be used for the creation of new services or even new products. This will ensure that money spend on the creation of knowledge bring back the profit to the organization.

2.2. PREVIOUS RESEARCH ON KNOWLEDGE MANAGEMENT

Little research has been conducted on knowledge management in the training sector in Limpopo and in South Africa. However, this study managed to identify one of the outstanding investigations on the subject as discussed below.

A research on the assessment of knowledge management growth was conducted by Kruger and Johnson (2010:1) from the University of Pretoria. An empirical investigation was carried out on 86 South African organizations. The purpose of the study was to determine growth in knowledge management maturity over a five year period. The researchers discovered that knowledge management is fairly institutionalized in South Africa industries. However, the growth reported also depended on the size of the organization and also the industry. Large organizations reported significant growth as compared to the small organizations.

Their growth groupings per industry were reported as follows:

- Industry groupings with construction, building materials and mining companies achieved high growth of +/- 70%
- Industry groupings with consumer goods and utilities reported an above average growth of +/- 60%
- Industry groupings with banks and insurance, automotive and transport, government and ICT companies reported an average growth of +/- 50%
- Industry groupings of educational institutions reported a low growth of +/- 40%

(Kruger and Johnson:2010:1)

This investigation has shed much light on the level of commitment to knowledge management per industry. Some organizations are working hard to ensure that they participate fully on the knowledge-based economy. It is surprising though to note that organizations engaged in training and development have not achieved well in
this study. The study has however left a gap on how these organizations that participated in the study perceive knowledge and utilize it to their own advantage. This is because knowledge cannot just be managed for its own sake but for the development of the organization and its participation in the global economy. Therefore this investigation will look into the way in which knowledge can be successfully utilized for the benefit of an organization by first determining how it is perceived.

2.3. PERSPECTIVES ON KNOWLEDGE AND KNOWLEDGE MANAGEMENT

With the dawn of globalization all major sectors in the world and its people are now more concerned about knowledge and the way in which it flows from one country to the other. People are able to view what is happening in any part of the world at any given time. For example, the earthquake that struck Haiti was reported instantly. People were informed about the disasters in that country and thus the rescue teams were flown from all around the globe on a rescue mission. Lives were saved even though many had died as the result of the earthquake. Relief funds were established as people mobilized to help rebuild the lives of the people of Haiti.

The same applies to business; today products and services can be purchased from anywhere around the globe. Thus local companies and organizations are forced to compete in the same markets as international companies. In global markets where it takes more than just great strategies to gain a higher market share, companies have to not only use all the resources they have at their disposal to remain competitive but gain business agility. In modern markets it is not about the big eat the small but it is now about the fast eat the slow. With this being said, the question is how are companies supposed to not only remain competitive in the global markets but also gain a higher market share? According to Rikowski (2007:49) organizations are now competing in the new economy, namely the knowledge economy. This places knowledge management in the spotlight as a way in which organizations can gain and compete in the modern markets.

Knowledge and knowledge management contribute significantly to the knowledge based economy therefore putting them into perspective is essential. Smuts, Loock, Van der Merwe and Kotze (2010:1) believe that knowledge assets are of far greater value than any tangible asset and that they provide organizations with the basis for creating a sustainable competitive advantage. This is because knowledge is also perceived as a product that drives the economy. Some authors define knowledge management as the effective management of tacit and explicit information sources in an organization. Thus explicit information in an organization should include knowledge of the competitors, suppliers and the capacity of the organization to create and regenerate knowledge.

Explicit information sources refers to the tangible information sources in the form of documents and reports, while tacit information sources refers to the knowledge and lessons learnt possessed by the workforce in the organization. In most organizations knowledge is no longer pushed back but it is used effectively for the benefit of economic activities. Furthermore, knowledge is perceived as the truth of justified beliefs and it can thus be manifested in the form of skills and competencies. The
A company that is able to manage its knowledge competencies well is the one that will be in the position to calculate its worth.

Knowledge management as an activity encompasses technology which is in turn interconnectedness to people and it is aimed at harnessing their knowledge skills and experiences which they possess to benefit the corporate memory. Thus the corporate memory is a network of knowledge. By network reference is not made to technology but rather a network of individuals and the knowledge they possess. Knowledge management is used to harness and access this corporate memory.

In an organizational context knowledge management contributes to the competitiveness of the organizations by using information sources that are readily available to the organization, namely the tacit and explicit information sources. Knowledge management in most organizations is not started because management is being proactive but rather it arises from a business issue or new market trends or legislation. Business issues that can act as a catalyst for knowledge management include a new competitor in the market or new legislation passed by the country’s government the organization is competing in.

In an organizational context knowledge management is conducted using a four part process as identified by Du Toit (2008:11):

- Get the key information need/ this would be the business issue the organization needs solved through the use of knowledge management.
- The second phase is the evaluation and gathering of information sources to answer the key issue or problem.
- The third phase is the analysis phase where the information is analyzed to make sense for the end users.
- The last phase of the process is where the information or rather the end product is disseminated to the end users.

For knowledge management to be successful in an organization and properly managed there has to be interconnectedness between individuals in the organization. This interconnected environment where the workforce can share their knowledge with each other is done through the use of technology and other Information Communication and Technology (ICT). Technology, in this context is the main enabler of knowledge management. Through the use of email and databases among other ICT’s information sources in organizations are stored in a single repository that can be accessed by all individuals in the organization to access the information they need, depending on their business need. The different kinds of ICT’s and their role in knowledge management can be referred to as knowledge management tools. It is important to keep in mind that knowledge management tools are not limited to ICT’s; people are the most important component of the process and can also be referred to as knowledge management tools.

Through networking and connecting with different people in various fields the knowledge management manager or the knowledge management team will be able to gain access to industry specific information and also gain a more in-depth knowledge of the industry the company is competing in. According to Grobler,
Wornich, Carrel, Norbet and Hatfield (2006:5) employees are investments that will, if effectively managed and developed, provide long-term rewards to the organization in the form of greater productivity. For example, in an organization people that can be viewed as knowledge management tools include the sales force; through interaction with the sales force the knowledge management team will be able to gain more information about their industry. People in the sales force can be seen as people ‘in trenches’ they are in the frontline on a daily basis and have access to much needed information that the knowledge management team will find useful in their business analysis phase of managing the information in the organization.

A non-exhaustive list of the individuals that might be useful to the knowledge management team includes law department and ethics personnel. Through interaction with law personnel the knowledge management team will be able to be up to date with the laws and ethics governing different industries in country the organization is operating in.

Sales force and Marketing: As mentioned before the sales and marketing force are the people constantly in the front lines of the business they have access to the latest industry information. Finance department, and the end users of the knowledge management products are also essential for gathering information. From the finance department the knowledge management team will have access to information regarding the finances of the company as recorded in a previous audit this will make it easier for the knowledge management team to benchmark the organization against major competitors.

This list can be extended depending on the organization’s needs and how much information the knowledge management team needs to access to answer the key business issue the organization needs answered. In a practical organization there needs to be a combination of ICT’s and personnel in order to conduct knowledge management. The combination of ICT’s and people as part of the knowledge management tools ensures that the knowledge management team has access to all the information and technology that they need to conduct knowledge management in the organization.

The knowledge management tools can be used through the four different phases of the knowledge management process. In phase one of the process the tools that can be used to gather the key business need or key intelligence need (KIN) are the personnel or rather the end users of the information the knowledge management department generates. It is important to involve the end-user from the beginning of the knowledge management process. This increase credibility with the end-user and gives them a sense of being hands on in the production of the information they need to answer a key business issue. Another tool that can be used to gather information in the first phase is the sales force, from the sales force the knowledge management team will be able to find out if there is an emerging key business issue that needs to be answered.

The second phase of the knowledge management cycle is important as this is where the information to answer the key business issue is gathered. It is important that the relevant information is gathered and that the knowledge management team does not drown in information overload (IO) during this phase. Should the knowledge
management team drown in information overload, the key business issue will not be answered adequately. This makes the second and the third phase of the process the most important. In this phase the tools that can be used are a combination of ICT’s and personnel. The technology that can be used is industry specific newsletters and databases, both commercial and non-commercial. In order to get access to current information the knowledge management team must be able to access and use the invisible web, as this is where quality information is mostly located.

One of the effective ways the knowledge management team will be able to get current information with minimal effort in searching the web or news wires is through the use of RSS feeds. RSS, which stands for Really Simple Syndication, is a type of technology which uses search/intelligent agents to search for information for the knowledge management manager. RSS feeds are not the only technology or intelligence agents the knowledge management manager can use in this phase. There is a variety of IA’s that can be used, the IA’s are made to work with the knowledge management manager and are used to gather information at a much faster rate without the knowledge management manager being stuck or spending a lot of hours searching for information. Personnel are also another tool the knowledge management manager will be able to use as they will be of aid in the gathering process by sharing the information that may be of help. However, Grobler et.al (2006:5) maintain that a working environment must be created in which employees are encouraged to develop and utilize their skills to the maximum extent. Practices must be implemented with the goal of balancing the needs and meeting the goals of both the organization and the employees.

It is important that the end user is also involved in this phase as it is important that they are involved throughout the entire process to increase credibility. Among the various tools that can be used in this phase it is also important that a number of knowledge management techniques in conjunction with various researching skills are used to gather information. The techniques that can be used include the Social Network Analysis (SNA), Citation analysis (CNA), blind spot analysis and benchmarking. The research skills that can be used include indirect and direct research skills. With direct research skills the researcher knows what it is they are looking for and are able to search for it in a timely manner. With indirect research skills the researcher or rather in this case the knowledge management manager will have to use a number of knowledge management techniques at the same time to answer long term strategic or short term tactical question. The most popular technique used in indirect research is triangulation. Triangulation even though popular with indirect research should also be used in direct research as it can be utilized to verify and cross examine information sources the knowledge management manager has found.

The third phase of the process is the analysis phase, this phase is the most important as this is where information is turned into actionable knowledge that will be ultimately disseminated to the end user. During the analysis phase pieces of information collected by the knowledge management manager is filtered and analyzed to see if it makes sense and compiled into the final report to be used by the end user. It is important that the knowledge management manager is knowledgeable about the analysis techniques and how to present the information to the end user. Some end users are deep divers; therefore, they prefer lengthy and detailed reports.
Some end users are skimmers therefore they prefer high level short yet detailed reports. This is where the importance of involving the end user is each phase is mostly highlighted. Without interaction with the end user it would be impossible to know how they prefer their reports and in what format they want it delivered. Some prefer email, verbatim and even in the form of status meetings or presentations. Another crucial factor in this phase is that the knowledge management manager should know when to stop analyzing as this is most likely to end up in analysis paralysis where it would be impossible for the end user to make sense of the report generated by the knowledge management manager.

In a corporate setting a business function should add value from the tactical level right through to the strategic level. The ultimate goal of knowledge management is to have an influence on the strategic level. Therefore, the final stage of the process is also just as important the fourth stage of the knowledge management cycle which is known as the dissemination stage. It is at this stage of the process that the generated information is disseminated to the final user of the process. It is important that the user gets the right and relevant information in their required format. What also makes this stage important is the fact that the knowledge management manager has to ensure that the end user finds the information valuable and can use it to make their final decision. Throughout the entire process knowledge possessed by individuals in the company has to be managed and harnessed so that the knowledge management manager can tap into the corporate memory and be able to build up on it. Meyer (2007:1) agrees that people play a crucial role in an organization ‘s ability to produce products and services and moreover, in the country ‘s ability to improve productivity and economic growth. The organization has to create an environment that will unleash the potential of its employees; an act that can be done if confidence in the employees is genuinely expressed and that structures for creativity are developed. According to Amos et. al (2008: 2) intellectual capital is the ability of employees to apply and transform their knowledge and understanding into something of value to their jobs and the organization.

2.4 COMPLEXITY THEORIES OF KNOWLEDGE MANAGEMENT

Dann and Barclay (2006:21) identified complexity theories as theories that are relevant to knowledge management. This is because the management environment is active and keeps on changing with time. They further argued that management environment is also a human system that should learn, adapt and evolve. It is therefore important to understand the relationship between the whole system of knowledge management and its parts.

Complexity theories originate from the systems theories; the emphasis of these theories is that the parts of a whole are interrelated and yet independent. According to these theories, organizations are capable of displaying coherent behaviour. Interactions and feedback occur through networks. Simple rules in organizations result in complex behaviour. Complexity theories define organizations as places that are complex and the outcomes unpredictable. They also derive some of the concepts from chaotic theories. Therefore, this implies that in an organization outcomes in terms of managing knowledge are not always predictable.
This is because in organizations people also learn differently. Coetzee (2007:60) is of the opinion that adult learners have control over their own learning process and outcomes. They influence their environment differently. Complexity theories also take into account the environment in which people learn and the inherent approach thereof. Thus people can learn from each other through observation of beliefs and attitudes of one another. Perspectives and experiences can also be shared as the concept of role modeling or mentoring evolves. It is therefore of great importance that an environment that will encourage contribution of ideas and listening of others’ opinions should be created and upheld.

Knowledge management within the context of complexity theories and for the purpose of this can therefore be understood through the following schematic diagram

**Figure 1.1**

**2.4.1 COMPLEXITY MODEL OF KNOWLEDGE MANAGEMENT**

<table>
<thead>
<tr>
<th>ORGANIZATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>INTERNAL ENVIRONMENT</td>
</tr>
<tr>
<td>Occurrence of events-------- interaction</td>
</tr>
<tr>
<td>(managed)</td>
</tr>
<tr>
<td>Adaptation--------evolution--------creation of new knowledge</td>
</tr>
<tr>
<td>(managed)</td>
</tr>
</tbody>
</table>

| EXTERNAL ENVIRONMENT |

From the above diagram it can be said that organizations should create internal and external systems that can facilitate knowledge sharing and creation as events occur. Some events alter a course of routine and may result in a better way of doing things. Meaningful interactions of employees as they share knowledge in a complex environment will also have to be managed as valuable information may be exchanged which can in turn contribute to the well being of an organization. Thus employees will have to be encouraged to sharpen one another’s skills.

In some instances, external forces may warrant a change in a way things have been conducted in an organization and therefore the process of evolution will also have to be managed as indicated in the above diagram. Thus as the process of evolution unfolds, new knowledge can be created in the process. It is therefore imperative for organizations to monitor change that is warranted by both internal and external forces. Dann and Barclay (2006: 24) argue that business has entered the knowledge
era where information is power and learning rapidly and competently is a necessary condition for success.

2.5 BEST PRACTICES IN KNOWLEDGE MANAGEMENT

The White Paper on Knowledge Management (2002:5) advocate for support centers in companies. These support centers will facilitate the creation of systems that will enable individuals to pull valuable information from a wide selection of existing sources in a wide variety of file formats. In this way employees will be able to take advantage of already developed and approved practices. They will also be able to learn how some of the problems were solved in the past. Resources of the company will be saved in the process, as there will not be a duplication of some of the problem solving mechanism.

Support centers may get employees to become more interested in their work and can also contribute to improved communication strategies. Knowledge if well managed, empower the capacity of the employees. Employees become more assertive to engage in decision-making processes and to make meaningful contributions in the policy formulation steps. Thus support centers and networks are essential in managing knowledge.

Local training companies should develop networks with the other training companies overseas. Thus networks may also lead to cross-projects as the form of learning. World Bank Profile (2003:111) states that knowledge management is a systematic process of connecting people to each other and to the information they need to effectively act. This will assist them in solving the problems that require significant expertise for a short period of time.

Training companies should also integrate knowledge management activities into their daily business, tasks and processes. This will facilitate the leverage of the expertise of the employees across the organization. According to Christian (2002:4), in today’s information economy, content is more dynamic, more complex and shared by more people throughout the enterprise than before. Thus a process to leverage knowledge across the company is no longer a necessity for competitive differentiation but a requirement for doing business.

Best practices in an organization should focus on database management and should also include all the organization’s learning efforts. Training organizations like Thuto Ke Lefa should make use of an intranet; an intranet enables the employees in a company to have easy access to information and to share it. For example “Hewlett-Packard ‘s well established intranet has over 2 500 servers, handles daily traffic of 1.5 million e-mail messages, and carries some 7 terabytes of information monthly. It is used to support a variety of needs, from information sharing among design teams to equipping sales people with product details and account background” (Ruggles 2000: 297).
2.6 CONCLUSION

The global economy with its focus on knowledge has resulted in a shift from capital investment to intellectual investment. Organizations that remain competitive are those that are making huge investments in their human capital. Thus, the only means of sustaining competition is through skilful management of knowledge. Knowledge in most organizations occurs when organizations go through change or transformation.

It is the nature of organizations to evolve and develop, however, this process will have to be monitored as it can lead to the creation of new knowledge. Knowledge sharing will expose the gaps that exist amongst the employees and will in turn sharpen one another’s skills. It is therefore imperative for organizations to create systems that will facilitate learning and knowledge sharing. The management should, however, monitor these processes as valuable information can be stored and utilized for the development of an organization.

Knowledge management should also be understood within the context of complexity theories that advocate that organizations are complex entities which have unpredictable outcomes. Complexity theories also highlight the internal and external forces that influence the course of events in organizations. Some events provide an opportunity for learning and for doing things differently. Thus, the sustenance of an organization also depends on its ability to adapt to its changing environment.
CHAPTER 3

3. DATA COLLECTION AND ANALYSIS

3.1 INTRODUCTION

Data was collected at Thuto Ke Lefa Training Company. A letter of permission to access the research area was written to the managing director (Please see Appendix A). The company was assured of confidentiality of the information sought as it was to be used only for study purposes. Thus permission to conduct research was granted (Please Appendix B). Preparations were then made to distribute questionnaires and to have them completed. Then an appointment to conduct interviews with the employees was made for a later date.

The questionnaire that was used to collect data had three sections; section 1 had questions based on biographical information of each participant. Section 2 was a Likert scale whereby participants had to state the extent to which they agree or disagree with the statements given. Section 3 had open-ended questions which required the participants to elaborate on the answers given or to give explanations (Please see Appendix C).

Further information was collected through the interviews that allowed the nine participants to give clarity on certain aspects; therefore the gaps that were left by the questionnaire were filled through the interviews.

3.2 DATA COLLECTION

3.2.1 POPULATION

Thuto Ke Lefa is a small company thus all its nine employees who formed part of the entire population of the company were engaged in the study. Section 1 of the questionnaire described the population in the sense that it focused on biographical information of the participants. Nine questionnaires were distributed and returned. Thus hundred percent of the company members participated in the study.

The questions in the questionnaire were as follows:
3. SECTION 1 (BIOGRAPHICAL INFORMATION)

Mark your choice with an “X”.

**Table 1.1**

| 3. 1. Gender | Male (--) | Female (--) |

The first question requested the participants to state their gender. Thus five employees were females and four were males. This implies that the company complies with the gender specifications of the government policies. Furthermore, the company is hundred percent black, it qualifies to benefit from Black Economic Empowerment schemes.

**Table 1.2**

| 3.2. Age in years | 20-30(--) | 31-40(--) | 41-50(--) |

The age of the members in the company ranged from 20 to 50 with 60% in the age category of 20 to 30 years. The category of 31 to 40 years had 20 % of members and the last age category of 41 to 50 had 20 % also. Therefore, this implies that the workers at Thuto Ke Lefa are relatively young. This can also be an advantage in the company as young people are full of vigour and enthusiasm to learn and to grow in their field of expertise. Most of them want to establish a career and make a name for themselves. It should therefore be the prerogative of the company management to encourage them to equip themselves with knowledge and to, in turn, tap on their accumulated skill. However, a disadvantage could be that the company may lack enough experience as not many experienced people are attached to it.

**Table 1.3**

| 3.3. State the name of your section or division | --------------------- |

Another question requested the participants to state their position with respect to the structure of the company. Thus the company has one managing director who is also responsible for the finances and the human resources division.

**Table 1.4**

<table>
<thead>
<tr>
<th>3.4. State your position in the section/department. (For example: Senior Manager)</th>
<th>------------------</th>
</tr>
</thead>
</table>

There is a manager in the sales and marketing division. The company has two administrators and four facilitators. It can therefore be said that the organizational structure of the company is simple given the fact that it has a small number of employees.

**Table 1.5**

<table>
<thead>
<tr>
<th>3.5. State your status of appointment (For example: Permanent or temporary)</th>
<th>------------------</th>
</tr>
</thead>
</table>

All the employees are permanently employed as stated earlier on in the report.

**Table 1.6**

<table>
<thead>
<tr>
<th>3.6. Experience in years</th>
<th>1-5 (--)</th>
<th>5-6(--)</th>
<th>6-10(--)</th>
<th>10 &lt; (--)</th>
</tr>
</thead>
</table>

Sixty-six percent of the employees have experience of less than five years in their field of expertise. The remaining 34% have an experience of 6 years and above. The work experience was also compared with the qualifications that the employees have.
Table 1.7

| Qualification                          | B A Degree/ B Tech (--)
|---------------------------------------|--------------------------
| Senior Certificate (--), Diploma (--), National Diploma of 3 years (--), Further Diploma in Your Area of Operation (--), Other (Specify) --|--
| B A Degree/ B Tech (--), Honors Degree (--), Masters Degree (--), Doctoral Degree (--), Other (Specify) --|--

The qualifications are evenly distributed from the Diploma level to the Honors level with the majority of employees possessing Senior Certificate. Therefore this implies that the company has to work hard in upgrading the skills of its workers for it to remain competitive in terms of knowledge.

3.3 ANALYSIS OF COLLECTED DATA

3.3.1 Likert Scale

Data collected was analyzed through HPSS so as to elucidate the findings and to draw informed conclusions. The data was synthesized and categorized accordingly. Thus percentages of the responses were calculated so as to get a clearer picture of the phenomena under investigation. The responses highlighted the status of the company in terms of knowledge management and the gaps that have to be attended to. The information was supplemented by the study of relevant documents and interviews that were conducted. The open-ended questions also afforded the participants to give detailed explanations on the phenomena. Thus the information is presented as follows:

3.3.1.1 SECTION 2 (LIKERT SCALE)

STATE TO WHAT EXTEND DO YOU AGREE OR DISAGREE WITH THE FOLLOWING STATEMENTS; MARK YOUR RESPONSES WITH AN “X”

TABLE 1.8

<table>
<thead>
<tr>
<th>Number</th>
<th>Statement</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1</td>
<td>Knowledge management is important</td>
<td>100%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Statement</td>
<td>77.8%</td>
<td>22.2%</td>
<td>66.7%</td>
<td>33.3%</td>
</tr>
<tr>
<td>---</td>
<td>---------------------------------------------------------------------------</td>
<td>-------</td>
<td>-------</td>
<td>-------</td>
<td>-------</td>
</tr>
<tr>
<td>4. 2.</td>
<td>Knowledge management can contribute to the growth of the organization</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. 3.</td>
<td>Employees in this organization share knowledge</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. 4</td>
<td>Employees in this organization are innovative</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. 5.</td>
<td>There are rewards for creativity in this organization</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. 6.</td>
<td>Training is given on specific fields of expertise</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. 7.</td>
<td>Everybody is entitled to participate in in-service training e.g. workshops</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. 8.</td>
<td>Employees are given an update of new developments in their field</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. 9.</td>
<td>Technology is used for dissemination of knowledge</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### 4.10. There are support systems or search engines for accessing new knowledge

| 33.3% | 44.4% | 11.1% | 11.1% |

### 4.11. Employees are given time on a weekly basis to share new knowledge in their respective fields

| 22.2% | 33.3% | 22.2% | 22.2% |

### 4.12. Employees make contributions to the development of the company

| 22.2% | 44.4% | 22.2% | 11.1% |

From the above table, 100% of the employees strongly agreed that knowledge management is important. This implies that a conscious effort is made by Thuto Ke Lefa to its employees about the significance of knowledge. Furthermore, most employees are of the opinion that knowledge management can contribute to the growth of the company. Thuto Ke Lefa has to grow and even be listed on the Johannesburg Security Exchange. This can be achieved if, amongst other things knowledge can be perceived as a competitive edge and can be treated as being sacred.

Sixty-six point seven percent of the employees indicated that they share knowledge with each other, an element that is essential in knowledge explosion. An organization which encourages knowledge sharing is likely to reap the fruits of innovation as people will want to share something new with colleagues and thus become creative. Nevertheless, 33.3% of the participants disagreed with the statement that stated that employees at Thuto Ke Lefa are innovative.

Forty-four percent of the employees stated that there are no rewards for creativity, an element which could contribute to little or no innovation. Employees in most instances want to be recognized for innovative practices and to be rewarded where possible.
Training is another important aspect that can contribute to innovative practices and creativity in an organization. Thus forty-four percent of the employees strongly agreed that training is given on specific fields of expertise whereby all members are entitled to participate. However, one participant did not respond to question 6.

Thuto Ke Lefa also offers special workshops or in-service training activities to all its employees. Furthermore, employees are given an update of new developments in their fields, as was indicated by 55.6% of the participants. The company is also equipped with modern technology hence, it is in the position to use it for communication purposes. However, one respondent did not answer question 9.

Support systems are there to support new search for knowledge even though they are not enough according to the employees. New knowledge is shared during meetings and therefore there is no specific time that is allocated for knowledge sharing. Employees are also given an opportunity to make contributions on the latest developments in their fields of expertise even though that is not done from a very strong background.

Figure 1.2 Stacked Column Chart of the participants against their responses
Responses

The stacked column chart above depicts a pattern of the responses against the participants. The information used in the graph was captured through the Likert scale. Therefore, one is in the position to measure the strength of the responses against the questions posed. It is abundantly clear from the response to the first question that Thuto Ke Lefa Company highly esteem knowledge management as an important component. All the participants strongly agreed to the fact that knowledge has to be well managed.

Questions three and nine received the same responses with regard to the strongly agree category. Participants strongly agreed to the fact that they share knowledge at Thuto Ke Lefa even though time is not set aside for such an exercise. Furthermore, there was a strong indication that the company also uses technology to disseminate knowledge. This is an indication that the company has a greater potential of growth as it has fully incorporated technology into its daily operations.

It should, however, be noted that some participants did not answer all the questions as requested. Two questions, six and nine were not fully answered as indicated in Table 1.8. There is, however correlation with respect to agree responses in questions seven, eight, ten and twelve. They all received the same percentage of responses that is 44, 4%. This could be due to the fact that they focused on the development of the individuals within the company and the development of the company as a whole.

The pattern of the graphs correlate with the way in which the questions were asked, thus questions which focused on a particular aspect received more or less the same responses. This also contributes to the validity of the instrument used to collect data. Questions five, ten, eleven and twelve received an even distribution of responses in all the categories even though the responses differed in terms of volumes.

It is through the graphical representation of the data collected that the phenomenon under investigation is well dissected and represented. The analysis of data did not only generate the bar chart but also the pie chart which is presented below.

The following pie chart further represents the participants who strongly agreed with all the statements. Thus the pie chart enabled the researcher to identify areas for improvement at Thuto Ke Lefa. Gaps were identified through the graphic representation of the responses and thereby guidelines were provided for improved practice.

The pie chart represents the information in the form of a pie whereby the responses share the slices. The largest strongly agree slice went to the first question that attest to the fact that employees at Thuto Ke Lefa perceive knowledge management as being of outmost importance. Therefore this means that the management of the company put systems in place that will ensure that knowledge is created, shared and disseminated amongst the employees. Employees also highlighted the fact that rewards are not given to knowledge creators in the company; an element that has to be encouraged.
Figure 1. 3 Pie Chart of the participants who strongly agreed with the statements

Thus the least slice in the category of strongly agree goes to the responses to question five which states that there are no rewards for creativity in the company. It is therefore imperative to reward people for their efforts and contributions.

3.3.2 Open-ended questions and interviews

Open-ended questions as well as interviews questions were posed to the respondents and are analysed as follows:

3.3.2.1 How does your organization incorporate new knowledge?

The managing director of Thuto Ke Lefa indicated that the company always assesses the need to incorporate new knowledge into the company. Once that has been determined, a plan is designed to identify the commonality between the existing as well as the new knowledge. Ways of basing the new knowledge on the existing one are explored. This is done in order to ensure synergy and to manage the dynamics of change. However, knowledge is not so fully coordinated and systematically managed at Thuto Ke Lefa. Hence, there is no manager who is responsible for transforming knowledge into a competitive edge.
Participant “A” cited an example whereby an Accelerated Programme for Adult Basic Education was to be introduced in a company, she stated that a workshop was organized for all employees to participate. The purpose of the workshop was to give the employees hands-on experience with regard to new technology. The Accelerated Program for Adult Basic Education was meant to improve the existing systems of operation and to empower the employees with new skills and new ways of doing things.

Participant “B” pointed out to the monthly meetings as a platform whereby decisions are made regarding new knowledge and ways of incorporating it into the organization. She stated that during such meetings ideas are exchanged as well as better ways of conducting business; however time is never enough to impact on each other’s projects.

One of the managers at Thuto Ke Lefa highlighted the fact that they constantly review policies and procedures of the company to ensure that they are aligned with the latest developments in the field. Continuous research is also conducted on the latest developments of training methodologies and findings; thus an update of the training material takes place once a year. The employees also take time to search for new knowledge in training and development through the internet.

Participant “C” indicated that change is not always easy for them to embrace, however, they try to remain creative so as to keep up with the national standards. Adherence to the national standards is important to Thuto Ke Lefa as a training company because of the accreditation processes. Strategies for implementing new knowledge are thus constantly designed.

3.3.2.2 Does your company have one or more competitive advantages? Discuss.

Thuto Ke Lefa has several competitive advantages as the material that they offer students is basically written in their mother tongue then translated into First Language English. “This is done in order to give our students headway in life and to equip them to move on” said Participant “D”.

The managing director of Thuto Ke Lefa said; “The multimedia programme that we have is a competitive advantage in the sense that it allows students to learn at their own pace and at their own time”. Therefore according to the information gathered, students are also assessed individually according to their level of development. Students are required to spend at least one hour on the computer; time for face to face contact is also set aside for clarification.

“The unit standard aligned self-learning programme, is user friendly and is also an advantage to employers as they will have to release workers on various shifts to attend to their lessons” said Participant E. Therefore, according to Thuto Ke Lefa and the documentation studied, the company is fully accredited for all the programmes it offers. This sets them ahead of their counterparts who are accredited in a limited number of programmes.
The marketing manager of Thuto Ke Lefa also indicated that they have special programmes that are designed for the blind and for partially sighted individuals. This is an added advantage to the company as the blinds and partially sighted people have been neglected for a long time in the past.

3.3.2.3 **Suggest three ways in which your special knowledge can be used to the advantage of your organization in the global economy.**

Participant “F” said; “Our company has already made great strides into the international market through the sister company Media Works. Material that we use is most suitable for undeveloped countries and it is already being used in Kenya, Botswana and Malawi”. Since Africa is predominantly undeveloped, this means that there is a great need for adults to go through basic education so that they can make meaningful contributions towards the growth of the economy.

“However, most countries do not invest much into adult basic education; hence, there is little progress in the area of combating illiteracy amongst the adults. Through rigorous marketing and advertising, people can be made aware of the need to acquire basic skills in education. This will in turn make some employees to enroll their workers in our classes” said the marketing manager of Thuto Ke Lefa Training Company.

“The company has a great growth potential in a global economy” observed Participant “G”, “we just have to systematically map our way through the economic meltdown that greatly affected undeveloped countries. As a company we will have to advertise the knowledge that we have and its benefits to the government and communities which are geared for success”.

“Our skilled and enthusiastic team is capable of making a difference in a global economy by impacting communities. As people are transformed from illiteracy to literacy the company will also benefit in terms of revenues” said the managing director of the company.

**3.4 CONCLUSION**

Thuto Ke Lefa is a small company that has relatively young employees who are zealous and energetic. The company has the prospects of doing well in the global market; however it has to see to it that it encourages the culture of creating knowledge. Employees are less motivated to be creative as there are no rewards to that effect and that time is not set aside for sharing knowledge.

Lack of adult employees in the company also alludes to the gap that may exist within the company in terms of extensive knowledge; older employees also add value in the company in terms of experience. However, on the other hand, the younger generations inject more life into the organization as the still have the zeal and the passion to make a name for themselves.
CHAPTER 4

4. FINDINGS AND RECOMMENDATIONS

4.1 INTRODUCTION

This chapter will focus on the findings, problem solving statements, recommendations as well as the limitations of the study. Limitations of the study pave a way for future research topics as they expose what should have been covered. Limitations can also emanate from the findings.

Findings, on the other hand, play a very important role in the study as they lead to motivated recommendations which, if well implemented, could lead to improved practice. Thus the findings of the case study that was conducted at Thuto Ke Lefa will be discussed together with the problem solving statements.

4.2 DISCUSSION OF FINDINGS

4.2.1 There is no section or directorate that is responsible for knowledge management.

Due to the size of the company, no specific section or directorate is responsible for managing knowledge. Knowledge is accumulated, shared and disseminated in a less coordinated way. Thus given the situation, the company may find it difficult to know what knowledge and skills it possess which it can use to transform and compete in a global economy. The company may therefore perform below its actual strength or potential. A knowledge management section or directorate will ensure that relevant information reaches relevant people. Employees will also know where to submit their creative ideas as they will be well coordinated. It can therefore be concluded that a company that does not coordinate its intangible assets well may not make great strides in a global economy as ideas may be stolen.

4.2.2 Creative and innovative practices are encouraged to a minimal at Thuto Ke Lefa Training Company

Even though people are given time to share ideas through organized meetings, the time and space is not enough for employees to get to interact meaningfully. Time and space are valuable in ensuring development and creative practices. Companies that highly regard creativity and innovative practices, design reward systems to that effect. Thus at Thuto Ke Lefa, there are no rewards for creativity. It can therefore be concluded that where creativity is not encouraged, employees will only operate according to the given set of rules and according to the limited thinking capacity of the management.
4.2.3 There are minimal support systems for searching and accessing information

The company relies heavily on the internet as the search engine. Other programmes related to the field of training are not available. Therefore, programmes that can develop employees in terms of knowledge will have to be installed. The company should also envisage installing its own intranet whereby internal information and documents can be accessed. However, Thuto Ke Lefa has just developed a website which can be accessed by people around the globe. Student registration at the company is not done electronically due to the type of students that the company enrolls.

4.2.4 Unique and specialized knowledge is registered as copy rights of a company

Every material that is developed and disseminated is registered as the property of the company and the company owns the copy rights. In this case, competitors will not be able to steal material from Thuto Ke Lefa without facing the might of the courts. The company takes precautionary measures to ensure that its intellectual rights stay within the company. It can therefore be concluded that a company has a brighter future in terms of staying in the market, if only it can strengthen the way in which it goes about managing knowledge.

4.2.5 A clear direction of transforming existing knowledge into a competitive edge is not yet fully developed

The company has not yet fully developed the policies which will guide it on how it should transform knowledge into a competitive edge in a global economy. There is however, some strides and direction which the company needs to take towards turning international. The company is presently operating at a national level with a number of links and contacts established throughout the nine provinces of South Africa.

4.3 PROBLEM SOLVING STATEMENTS

This part of the study provides guidelines that will enable Thuto Ke Lefa to transform its knowledge into a competitive edge as indicated in section 1.4.1 of chapter one.

The Journal of Knowledge Management Practice (2010:3) states that: “The science and art of knowledge management can be understood as a sequential framework of purposeful activity designed to produce tangible management decisions and resulting organizational activities, toward the ultimate purpose of producing gains in net income and market share”. This implies that there has to be a clear plan of action that will enable Thuto Ke Lefa to purposefully capture the created knowledge and disseminate it accordingly.

The company should have a clear knowledge of its knowledge base and knowledge capacity. Since knowledge is readily available for consumption, the company has to develop the filtering system. This can be effective if there is a directorate or section that deals specifically with knowledge management. The directorate or section will
also focus on harnessing internal knowledge that can be used as a competitive edge for economic gain.

The flow of knowledge in a company will have to be monitored as not all information that finds its way into the company is beneficial. Therefore, with the correct flow of relevant information, the management of the company will be in a better position to make informed decisions. This is because individuals within the company may come across important strategies, ideas and methods of doing things better. The Journal of Knowledge Management Practice (2010:6) argues that: “All ideas set forth in good faith and backed by rational analysis should be reinforced as beneficial to the company’s efforts to create a cauldron of strategic innovation, even if such shared knowledge does not immediately produce resounding results”.

Thuto Ke Lefa should create a company website that will enhance the knowledge of its employees through e-learning. The website should be created in such a way that it will cater for the needs of all employees from the position of the CEO to that of the newest employee. This move will also reach other employees in other branches of the company in Gauteng and Mpumalanga Provinces. On-line programmes will have to be developed to re-skill the employees and improve their overall competitiveness. Franchising World (2005:1) maintains that management can utilize the internet and online learning solutions to retool traditional programmes into highly effective, strategic weapons.

Therefore through the process of re-skilling and retooling the employees, the company will be in a better position to turn the reams of data it generates everyday to actionable knowledge. The Economist Intelligence Unit (2005:2) argues that modern companies place knowledge management and business intelligence solutions at the top of their list of technologies for achieving their strategic goals. It is therefore important for managers to have knowledge that they can easily interpret and analyse for decision making purposes.

Knowledge that Thuto Ke Lefa has to harness and use profitably, include knowledge of its competitors, products and services that the company offers. The company should also have knowledge about its customers; therefore the needs of the customers have to be properly addressed for the purpose of customer satisfaction and retention.

Knowledge management enables the company to minimize and if possible even eliminate the past mistakes. The company may learn from its own mistakes or mistakes of others.
4.4 RECOMMENDATIONS

From the findings discussed in chapter four as well as the best practices discussed in chapter two, the following recommendations are made:

4.4.1 Knowledge management section or directorate should be established at Thuto Ke Lefa

For the company to move from strength to strength, a knowledge management section has to be established. This will enable the company to fully tap on the intellectual capital of its employees. Knowledge will be properly harnessed, captured and stored. Stored knowledge will also be easily accessible to all employees to enable them to be more effective.

4.4.2 A reward system with regard to innovative practices will have to be established

Employees’ efforts will have to be rewarded; once people see that their contributions are valuable and rewarded, they will begin to work hard. The reward system will also serve as a motivating factor in the company; constant motivation injects life into the company. Employees will also be motivated to learn.

4.4.3 Policies and procedures for transforming knowledge into a competitive edge will have to be developed.

The management of Thuto Ke Lefa will have to develop policies and procedures that will enable the company to transform its knowledge into a competitive advantage. Knowledge management policies will also address issues relating to intellectual rights of the company; well generated policies often avoid future disputes. Problems can thus be solved before they can even occur.

4.4.4 Time will have to be put aside for sharing of knowledge

The management of Thuto Ke Lefa should put time aside for employees to share knowledge. A suitable environment will have to be created to ensure that ideas are freely expressed without any form of intimidation. Employees should know that their contributions are valuable to the development of the company.

4.4.5 Support systems for the creation and search of knowledge should be put in place

It should be amongst the prerogative of the company that proper search engines are put in place. Thus through the establishment of the knowledge management section, as stated earlier on, employees would know exactly where they would go in case they encounter problems as they create or search for information. Management should also be prepared to upgrade its technology each time such a need arises. This will give employees good tools to work with.

4.4.6 Intranet

Thuto Ke Lefa should consider making use of an intranet so as to link the company employees to knowledge and also to facilitate knowledge sharing.
4.5 LIMITATIONS OF THE STUDY

Limitations of this investigation are outlined as follows:

4.5.1 The focus of the investigation was on one company

Due to the nature of the study, the focus was on Thuto Ke Lefa. Therefore, other training companies in the province were excluded.

4.5.2. A Comparative study could have been ideal

A study on how other companies transform knowledge into a competitive edge would have been ideal as findings from different companies could have been compared. This could therefore be an area for further research.

4.5.3 Financial and time constraints

Financial, as well as time constraints, made it difficult for the investigation to be carried at a wider scale to accommodate other companies. Thus, a comparison could not have been made as alluded in the above paragraph 4.5.2.

4.5.4 Restricted generalizations

Conclusions and recommendations arrived at in this study are only applicable to Thuto Ke Lefa and to a limited extent to other companies that have the same features as Thuto Ke Lefa. This implies that the conclusions drawn and recommendations arrived at, are meant for Thuto Ke Lefa. Thus the study could have come out with clearer generalizations and conclusions on knowledge management have it being conducted at a wider scale.

4.6 CONCLUSION

A study of transforming knowledge into a competitive edge is necessary at a wider scale so as to arrive at more accurate generalizations. Most companies in the education and training sector as indicated on page 9 paragraph 2.2 did not show significant growth in knowledge management. This is because companies in the education and training sector place knowledge management at the last rank of the ladder rather than at the top.

Companies that are able to compete at the global market are those that highly esteem knowledge management and business intelligence. It is therefore imperative for Thuto Ke Lefa to have a well designed knowledge management section that will facilitate the creation, as well as dissemination of knowledge, in the company.

Thuto Ke Lefa proves to be a company with a great potential for growth because it addresses the pertinent issues of society. The company is also relevant to the
millennium goals which are set by the United Nations. Thus, if governments and private companies can join forces to truly eradicate poverty and improve basic education many people would benefit through the services that are provided by companies such as Thuto Ke Lefa. The companies would in turn thrive. However, the South African government is doing little to support initiatives from companies such as Thuto Ke Lefa.

Thus Thuto Ke Lefa has to convince the adult communities it serves about the importance of literacy. Most adults do not want to pay for their education especially in rural communities. They do not see education as an investment in their well-being. Knowledgeable adults play an important role into the development of the economy hence; there is little or no illiteracy in most developed countries.

Companies have to be united in fighting illiteracy in the country. This will enable companies to get a better workforce. It will therefore be imperative for companies to strive towards improving the level of literacy in the communities they serve by making funds available for such initiatives. Thuto Ke Lefa will therefore have to develop programmes that will also attract employers to invest in the education of their employees. This will also enable employees at Thuto Ke Lefa and elsewhere to own the company’s initiatives and make meaningful contributions. Knowledge management is thus about development and growth of the economy.

Best knowledge management practices should be incorporated into training companies. This will ensure that there is knowledge explosion and innovation. Companies will be able to manage their knowledge systems well and to become more differentiated in a competitive environment. Knowledge management should include the updating of databases and maintenance of all the organization’s learning efforts. Customers should also have access to information because this will lead to customer satisfaction and loyalty. Making use of the intranet is also essential in training companies because it facilitates knowledge dissemination and sharing. Thus best knowledge management practices as identified in this investigation can be of great assistance to training companies if they can be considered.
REFERENCES


Beyers, LJE. 2009. The need to manage knowledge in the organization. Unpublished article.


THE MANAGING DIRECTOR
THUTO KE LEFA TRAINING CC
P O BOX 2471
POLOKWANE
0700

DEAR SIR

PERMISSION TO CONDUCT RESEARCH

I hereby request permission to conduct research in your company for the purpose of fulfilling the requirements for the completion of my MBA studies. My research topic is: “Knowledge Management as a competitive edge in a global economy; A case study of Thuto Ke Lefa Training CC”.

I therefore assure you that the interviews and the completion of the questionnaire will not disrupt your services; the findings and recommendations found would be shared with your company.

Thanking you

Yours faithfully

----------------

Dr MM Kanjere
Dr Maria Kanjere

Re: Permission to conduct research

I Moshakobo Johannes Moja managing member of Thuto ke Lefa gives you permission to conduct research in our organisation to complete your MBA studies. The permission is given on condition that the information will be used only for studies and will be treated strictly confidential.

I hope the information which you will collect will assist you in achieving your goal and I wish you all the best towards your studies.

Yours faithfully

MJ Moja
084 4000 738 / 015 2911521
Fax: 086 666 9684
QUESTIONNAIRE ON:
KNOWLEDGE MANAGEMENT AS A COMPETITIVE EDGE IN A GLOBAL ECONOMY: A CASE STUDY OF THUTO KE LEFA TRAINING CC

1. Dear Participant

Thank you for taking your time to complete this questionnaire. It will take you about 15 minutes to complete.

2. General Information
-This questionnaire does not test your competence; your honest opinion is all that is required.
-There are no wrong or right answers.
-Your name remains Anonymous.
- The questionnaire is divided into three sections, please complete all of them.

3. SECTION 1 (BIOGRAPHICAL INFORMATION)
Mark your choice with an “X”.

3.1. Gender Male (--) Female (--)

3.2. Age in years 20-30(--) 31-40(--) 41-50(--) 

3.3. State the name of your section or division---------------------

3.4. State your position in the section/department----------------------------
(For example: Senior Manager)

3.5. State your status of appointment------------------
(For example: Permanent or temporary)

3.6. Experience in years 1-5 (--) 5-6(-- ) 6-10(--) 10 < (--) 

3.7 Qualifications:
   - Senior Certificate (--) 
   - Diploma (--) 
   - National Diploma of 3 years (--) 
   - Further Diploma in Your Area of Operation (--) 
   - B A Degree/ B Tech (--) 
   - Honors Degree (--) 
   - Masters Degree (--) 
   - Doctoral Degree (--) 
   - Other (Specify) ------------------
### 4. SECTION 2 (LIKERT SCALE)
STATE TO WHAT EXTEND DO YOU AGREE OR DISAGREE WITH THE FOLLOWING STATEMENTS; MARK YOUR RESPONSES WITH AN “X”

<table>
<thead>
<tr>
<th>Number</th>
<th>Statement</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1.</td>
<td>Knowledge management is important</td>
<td></td>
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<tr>
<td>4.2.</td>
<td>Knowledge management can contribute to the growth of the organization</td>
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<tr>
<td>4.3.</td>
<td>Employees in this organization share knowledge</td>
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</tr>
<tr>
<td>4.4</td>
<td>Employees in this organization are innovative</td>
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<tr>
<td>4.5</td>
<td>There are rewards for creativity in this organization</td>
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<tr>
<td>4.6</td>
<td>Training is given on specific fields of expertise</td>
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<tr>
<td>4.7</td>
<td>Everybody is entitled to participate in in-service training e.g. workshops</td>
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<tr>
<td>4.8</td>
<td>Employees are given an update of new developments in their field</td>
<td></td>
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</tr>
</tbody>
</table>
4. 9. Technology is used for dissemination of knowledge

4.10. There are support systems or search engines for accessing new knowledge

4.11. Employees are given time on a weekly basis to share new knowledge in their respective fields

4. 12. Employees make contributions to the development of the company on regular basis via the company intranet

5. SECTION 3 (OPEN-ENDED QUESTIONS)

5.1 How does your organization incorporate new knowledge?
5.2 Mention three things that you regard as being your competitive advantage

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5.3 Suggest three ways in which your special knowledge can be used to the advantage of your organization at the global economy

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This marks the end of the questionnaire

Thank you for your time and cooperation