

**UNIVERSITY OF NAIROBI**

**EMPLOYEE PERCEPTION OF KNOWLEDGE MANAGEMENT  
PRACTICES: A CASE STUDY OF BRITISH AMERICAN TOBACCO  
KENYA**



**BY**

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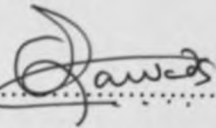
**A management Research Project Report submitted in partial fulfilment of the  
requirements for the degree of Masters of Business and Administration (MBA), Faculty  
of Commerce, University of Nairobi**

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## DECLARATION

This Management project is my own original work and has not been presented for a degree in any other university.

Signed.....



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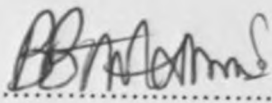


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This Management project has been submitted for examination with my approval as university supervisor

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## ACKNOWLEDGEMENTS

### DEDICATION

This work is dedicated to my mother Sabena and late Dad Zecky Nyawade who raised me up with a burning passion for Knowledge. Their immense tacit Knowledge has always been something of a marvel to me, their support always unwavering and their love forever unconditional.

I wish to express my gratitude for the guidance, support and encouragement of my loving mother (Sabena), my late father (Zecky) and my dearest friends. They had to contend with my academic demands especially during my school days. Their understanding and love kept me going.

This work could not have been completed without the support of my supervisors and colleagues. I wish to specifically mention the encouragement of Mr. Nicholas Loring, I thank Dr. Deyou, Mr. Carl Akaboff, Mr. Akin and Mr. John Smith for allowing to read through my work draft to this work. Your criticism was most of value and I feel so obliged.

The work would not have been possible if my friends and colleagues had not supported me and encouraged me to complete this work. I say thank you.

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To those who were not directly mentioned, I wish to express that your cooperation and support made this dream a reality and I say, Thank you all.

Always will be my mother (Sabena) and my father (Zecky) who has always stood by me and because of you I am here pursuing my education.

*Sabena*

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Above all is my utmost gratitude to God almighty who has always filled my cup and assures me daily that he never forsakes his children.

MARK TWAIN  
**PROLOGUE**

Twenty years from now you will be more disappointed by the things that you didn't do than by the ones you did do. So throw off the bowlines. Sail away from the safe harbour. Catch the trade winds in your sails. Explore. Dream. Discover.

.....Mark Twain

## ABSTRACT

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The economy of today has been described as a 'Knowledge economy', pointing to the reality that knowledge has become a major source of competitive advantage. Knowledge has displaced capital, natural resources and labour as the essential economic resources. With shortening product and service life cycles, knowledge integration undergrids the organisations' ability to ask the right questions and turn tacit knowledge into market offerings. Organisations must now harness their systems of acquiring, developing, sharing and retaining knowledge. The systems should encourage and reward employees who collaborate, learn and work as teams.

The study was carried out at British American Tobacco Kenya (BAT). It set out to find out the perception of BAT employees concerning the Knowledge management practices in the organisation. A structured questionnaire was administered to both Management and Non Management staff and their perceptions captured for analysis.

The results show that to a large extent, the employees perceive the company to have embraced knowledge management practices, despite not having a fully fledged Knowledge Manager. Employees believe that opportunities exist for continuous learning, dialogue is promoted and they are empowered to learn. They however see some opportunities for improvement in the area of knowledge sharing specifically with respect to access to internet.

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## **ABBREVIATIONS**

BAT: British American Tobacco

HR: Human Resources

HRD: Human Resources Development

HRM: Human Resources Management

KM: Knowledge Management

MBA: Master of Business Administration

Plc: Public limited company

TPS: Toyota Production Systems

# CHAPTER 1: INTRODUCTION

## 1.1 Background

Today's business environment has become characterised by uncertainty and intense competition owing to globalisation, shrinking markets and demanding customers. This challenging environment requires that for organisations to survive, they must become more flexible, dynamic and be able to make informed decisions while on the move (Brown, 2002).

The dynamism and flexibility is only possible if an organisation gets first hand information on the prevailing conditions, has capacity to analyse and develop this information into knowledge, and is able to consistently utilise the knowledge now and in future. In other words, organisations need to embrace knowledge management practices in order to survive.

Organisational knowledge resides in many different places such as: databases, knowledge bases, filing cabinets and in people. This knowledge is distributed right across the enterprise. All too often one part of an enterprise repeats work of another part simply because it is difficult to keep track and make use of knowledge in other parts. It is critical that enterprises know what their knowledge assets are and how to manage and make use of these assets to get improved returns (Burgoyne, 1995).

Knowledge management practices have been defined as cleverly putting into use information and collaboration processes in conducive cultural contexts to capture organisation learning and thereby improve business performance (<http://books.mcgrawhill.com>).

Others have defined KM as "the collection of processes that govern the creation, dissemination and leveraging of knowledge to fulfil business objectives".

It is important to note that KM is not an end in itself but is fundamentally about sharing the knowledge and putting it to use in the pursuit of business objectives.

The value of intellectual resources has been widely recognised by many a scholar. Matsuchi (1988) says "For us the core of managing change is the art of mobilising resources of all employees in the firm, get and empower people to create and manage change". Most traditional company policies and controls focus on the tangible assets of the company and leave unmanaged their important knowledge assets.

Success in an increasingly competitive marketplace depends critically on the quality of knowledge that organisations apply to their key business processes. For example the supply chain depends on knowledge of diverse areas including raw materials, planning, manufacturing and distribution. Likewise product development requires knowledge of consumer requirements, new science, new technology, marketing etc.

([www.Knowledgeboard.co.uk](http://www.Knowledgeboard.co.uk)).

Several factors conspire to aggravate the challenge of deploying the knowledge assets of an organisation in creating competitive advantage. According to Thite (2004), some of these factors include the following:

The rate of innovation in the marketplace is rising, so that knowledge must evolve and be assimilated at an ever-faster rate. Competitive pressures are reducing the size of the workforce, which holds this knowledge.

It takes some time to acquire and internalise Knowledge. Employees have less and less time for this.

There are trends for employees to retire earlier and for increasing mobility, leading to loss of knowledge.

A change in strategic direction may result in the loss of knowledge in a specific area. A subsequent reversal in policy may then lead to a renewed requirement for this knowledge, but the employees with that knowledge may no longer be there.

**Knowledge assets** are the knowledge regarding markets, products, technologies and organisations, that a business owns or needs to own and which enable its business processes to generate profits and add value.

Knowledge management is not only about managing these knowledge assets but managing the processes that act upon the assets. These processes include: developing knowledge; preserving knowledge; using knowledge, and sharing knowledge. Therefore, **Knowledge management** involves the identification and analysis of available and required knowledge assets and related processes, and the subsequent planning and control of actions to develop both the assets and the processes so as to fulfil organisational objectives.

([www.knowledgemanagement.co.uk](http://www.knowledgemanagement.co.uk)).

## 1.2 Models for analysing knowledge management practices

Four models of analysis have been developed. These are summarised in the table below:

Table 1.00: Models for analysing knowledge management practices

| <i>Pedler et al</i>                        | <i>INVEST</i>           | <i>Senge</i>           | <i>Marsick</i>  |
|--|-------------------------|------------------------|---|
| Learning approach to strategy              | Vision for the future   |                        | Provide strategic leadership for learning<br>Create continuous learning opportunities |
| Participative policy making                |                         | Systems thinking       |   |
| Informating                                | Supportive management   |                        |   |
| Formative accounting and control           | Enhanced learning       | Personal mastery       | Promote dialogue and enquiry  |
| Internal exchange                          |                         |                        |   |
| Reward flexibility                         | Transforming structures | Mental models          | Promote collaboration and team learning   |
| Enabling structures                        |                         |                        |   |
| boundary workers as environmental scanners |                         | Building shared vision | Empower people towards a collective vision  |
| Inter-company working                      |                         |                        |   |
| Learning climate                           | Nurturing cultures      | Team learning          | Establish systems to capture and share learning                                       |
| Self development for all                   | Inspired learners       |                        | Connect the organization to its environment.  |

Source: Strategic Human Resources Management.

The various models are further discussed in the literature review. Due to its simplicity, the Marsick model is adopted to analyse knowledge management in this work. The same model was used to develop the Dimensions of Learning Organisation Questionnaire which has been used, with minimum modifications by various scholars (Marsick and Watkins, 2003, Yang, 2003, Ellinger, 2003).

## 1.3 Employee perception:

Daft (2000) defines perception as the process people use to make sense out of the environment by selecting, organising and interpreting information from the environment. He contends that employee perception of any aspects of their employment will be a function of the intensity or repetitiveness of that aspect.

The number of times that the aspect gets highlighted and the intensity with which this happens indicates just how important that activity is taken.

Several studies have been carried out to determine the perception of employees regarding specific issues e.g. reward (Wallace, 1999; Guest, 1997). They contend that commitment of employees to a certain cause or issue depends on their perception.

Paauwe and Richardson (1997) concluded that positive perception of employees with respect to employee selection, personnel planning, and reward has an effect on HR results (e.g. satisfaction, motivation, retention, trust and involvement). These results in turn have an effect on hard business performance indicators like profits and sales volume.

If employees perceive knowledge management as an important aspect of their employment, they are more likely to be supportive of Knowledge management practices and initiatives.

### **1.4 British American Tobacco Kenya**

British American Tobacco Kenya is one of the many operating companies of the multinational that is British American Tobacco plc. The Kenyan operation started in Mombasa in 1907.

The company is listed on the Nairobi Stock Exchange and controls about 70% of Kenya's cigarette market.

BAT has one of the most elaborate Human Resource Development systems and was voted in 2002 as having the best-run HR systems in the country during the Company of the Year Awards (COYA).

The company has a Learning and Knowledge strategy at global level that gets adopted and modified for use by local operating companies.

### **1.5 BAT Global Learning and Knowledge Strategy:**

BAT prides itself as having *learning* as one of the people drivers in addition to leadership, talent and culture.

The BAT global learning and knowledge mission was introduced in 2002 and it reads:

"To support the delivery of a high performance culture to meet our current and future business challenges through effective blended learning solutions that are inclusive, integrated and sustainable, enabling faster learning to achieve a competitive advantage"

( [www.bat.com](http://www.bat.com)).

The **Learning and Knowledge Strategy** was designed to address the following:



- **Winning environment:** energy, competency, assertiveness, an end in mind, support, willingness to try, celebration of success, team spirit, strength and constancy of purpose, ongoing learning, determined, key foundation to reinforce our guiding principles.
- **Talented People:** collaboration, accessible, inclusive, aligned with individual development plans, measurable, impactful, flexible, team players, business leaders
- **Personal Fulfilment:** enjoyable, just for me, just in time, continuous improvement and growth, recognition

The global company adopted a **blended approach**. This means that the learning and knowledge strategy recognises that individuals have different learning styles hence include learning events for individuals and teams that combine aspects of: On the job, Participation in project teams, Face to face instruction, Classroom, Self paced, Web based, Action Learning Groups, Leverage effective technology eg. Online university, Knowledge management -sharing and collaboration of learning's, other opportunities: coaching, mentoring, books, videos, story telling ([www.bat.com](http://www.bat.com)).

British American Tobacco Kenya is structured into in several departments thus:

Leaf , Supply chain, Manufacturing, Human Resources, Security, Finance, Information & Communication Technology, Marketing, Leaf processing.

## **1.6 Statement of the Problem**

Literature review identifies that learning and handling of knowledge in organizations take place both at individual and organisation levels (Marsick, 1999). Today, many organizations declare learning as one of their tenets. The idea of learning organisation is being touted as the trend today. It is considered to be of 'high profile' (Walton, 1990). However; some organisations only take the pride but have no associated KM systems in place. Some multinationals, BAT included, have gone ahead and even developed Knowledge missions and lay claim to practising the KM concepts. It would be significant to find out from the same organisations if indeed they have embraced KM concepts and what the members perceive of these attempts.

Most research that has been carried out in this area has been done in the Western world, (Watkins, 1992, Marsik & Watkins, 1997). It would be worthwhile finding out the extent to

which knowledge management systems are consciously put in place in a developing country like Kenya.

The limited research that has been done in this area locally includes the work of Amulyoto (2000), which was a related research for an MBA at University of Nairobi. The research, however, focussed on organisational learning at the donor agencies. These donor agencies did not know about the Knowledge Management concepts nor did they claim to be practising knowledge management.

This study will be carried out locally to look at a multinational company who knows about KM concepts and indeed lays claim to practising them.

### **1.7 Objectives**

- To establish the extent to which employees of British American Tobacco Kenya perceive the company to have embraced practices of Knowledge Management.
- To find out which aspects of Knowledge Management practices are perceived as weak by the employees of BAT.

### **1.8 Significance of study:**

It is expected that this study will contribute in the following ways:

- ❖ The study will provide some additional knowledge for HR practitioners, Strategic Managers and academicians in the field of knowledge management. Other organisations within Kenya will learn how knowledge systems can be put in place and made to work within the local context.
- ❖ The study will help BAT to diagnose its present true condition with respect to knowledge management hence be in a position to initiate and guide change.
- ❖ Will enable BAT to have departmental focus and be able set up decentralised knowledge management interventions as per the identified areas of need.
- ❖ There is an avalanche of knowledge recently acquired through further studies like MBAs, short-term courses, etc which are not directly supported by company. It is definitely beneficial for the company to tap this 'free' resource using its own systems.

## **CHAPTER 2: LITERATURE REVIEW**

Organizations place demands on employees to work faster, learn faster and generally change at exponential rates. They often expect that learning and knowledge creation will take place continuously for individuals and that they will share what they know in ways that promote learning in groups and throughout the organization (Marsik & Watkins, 1997).

Human Resources developers typically promote continuous learning opportunities for individuals. This is necessary but not sufficient to influence perceived changes in knowledge and financial performance. It is important to measure shifts in an organization's climate, culture, systems and structures that influence whether individuals learn.

It has been observed that significant learning is usually the least structured. Yet models of adult learning are based on an assumption of educator structuring learning experiences (Watkins, 1992).

There is however, an increased awareness that much valuable learning takes place informally on the job, in-groups, or during conversations (Huber, 2002).

A learning climate and culture should be built to support such learning. Climate and culture are built by leaders and other key people who learn from their experiences, influence the learning of others, and create an environment of expectations that shapes and supports desired results that in turn get measured and rewarded.

### ***2.1 Developments in Knowledge Management***

Knowledge Management is seen with scepticism by many as another fad, fashion or fantasy in modern management (Thite, 2004). Most management trends such as scientific management theory, human relations movement, strategic planning, quality circles and business process re-engineering have made their own contribution. Knowledge management is more than a trend. It is a defining movement in the world of commerce associated with knowledge economy after the agricultural and industrial revolutions.

As the economic foundation moved from agriculture to industry and then to knowledge, the source of wealth has moved from land to machinery and now to intellectual capital (Walton, 1990).

While it is true that knowledge has always been important to organizations, it has never been so 'explicitly' important. Today's economy is more global, competitive, technology intensive and networked as never before. Each of these changes has a profound impact on the way organizations and people think, organize and act throughout the world.

The performance of computing equipment is expected to double every 18 months with almost no change in price. Similarly, communication capabilities double every nine months and data storage capacity, every 12 months. Even mega mergers and acquisitions cannot guarantee an assured future (Thite, 2004).

In this discontinuous and hyper-competitive age, the past can no longer guide the future and the only sustainable competitive advantage is the ability of organizations and individuals to continuously innovate and successfully and swiftly convert knowledge into commercial products and services. This requires organizations to become learning entities where knowledge about the company's products and services, markets and processes is continuously updated, distributed and utilized. In an uncertain environment, knowledge is the only torch to find our way out of the tunnel of darkness (Williamson, 1994).

Many mistakenly believe that knowledge management mainly applies to high technology industries where knowledge flow is fast and thick. Many of the successful organizations known for their innovative knowledge management practices operate in traditional industries, such as health care, shipbuilding and civic services.

Knowledge generation is not just limited to managers and employees in an organization. It could come from suppliers, customers and even collaborative competitors. Knowledge economy and management operate without boundaries between tasks, departments, organizations and markets.

Overall, Knowledge management can be seen to be about the creation, distribution, validation and utilization of explicit and tacit knowledge at the individual, group,

organizational and community level through harnessing of people, process and technology for the benefit of those involved and affected by it (Thite, 2004).

Knowledge by itself has little value. It needs to be applied for social or commercial benefit. Knowledge grows only when it is shared with others.

## 2.2 Tapping the Tacit Knowledge

Tacit Knowledge refers to that knowledge hidden within the minds of individuals.

A number of scholars have argued that tacit knowledge is a valuable source of competitive advantage because it protects a firm against boundary leakages of firm-specific know-how assets (Shuen, 1993). In addition tacit knowledge has a higher potential for generating returns when put to work within the boundaries of the firm (Deleon, 1994).

Individuals and groups can possess both explicit and tacit knowledge. It is natural that explicit knowledge follows tacit knowledge. While explicit knowledge (i.e. that which is embedded in policies, procedures, organizational routines and roles) can be relatively easily harnessed through information technologies and other knowledge management mechanisms, the challenge is the tapping of tacit knowledge.

In the command and control regime of the past, management hardly noticed or bothered to tap this hidden knowledge. The thinking process was deliberately confined to senior management, which was far away from the front line where all the action happened. Similarly, no attempt was made to recognize, document or share the social and contextual knowledge accumulated by teams. As a result, one team would work on the same problem or issue, which was resolved long ago by another team in the same organization. The silos between jobs, departments, roles and responsibilities prevented knowledge sharing within organizational boundaries (Thite, 2004).

Today, with increasing competitive pressures, organizations are realizing the importance of tacit knowledge hidden in the minds of individuals and groups and try to tap it by embracing employee empowerment and team structures. This however, requires a HR philosophy that generates trust and openness necessary to persuade knowledge workers to share their knowledge.

Successful Japanese companies depend on tapping the tacit and often highly subjective insights, intuitions, and ideals of employees for continuous innovation. While everyone knows the legendary success of Toyota Production Systems (TPS), it is difficult to copy it because it is ingrained in the culture of Toyota system.

### **2.3 Knowledge Workers**

Many regard that only highly educated people working in high profile jobs, such as IT professionals, scientists, academics, and doctors qualify to be called knowledge worker. The fact is that most of the jobs in the 21<sup>st</sup>-century economy are generated in the low-value service jobs. The central feature of knowledge economy is the services industry which is experiencing phenomenal growth.

Incidentally, even in the high-value information technology-related jobs, managements are realizing that technical skills play a smaller role compared to soft skills. Thite (2004) explains the findings of a research on IT professionals and interviews with their HR managers which suggested that managerial and leadership competencies are most wanted by software professionals followed by competencies relating to business domain, self/role/organizational issues, knowledge management, customers and project and process management. Soft skills are generally tacit in nature as they are the result of a personal and social experience. Training can only provide the framework but soft skills need to be internalized.

The importance of tacit knowledge in all jobs in the knowledge economy has implications for HR management in selecting and placing the right person for the right job and institutionalising the matching process through appropriate training, performance and reward management.

### **2.4 Learning: An Alternative**

#### **2.4 People, knowledge and competitive advantage**

By providing employees with tools that they can use to improve their own productivity, morale increases, and the mission of the organisation is accomplished more efficiently. The ability to collate, interpret, and act upon this wealth of information confers competitive advantage and the ability to tailor products and services based on market demands.

Based on accurate data entry, Knowledge Management Systems provide marketing information on clients, competitor information to allow an appropriate strategy to be followed, and allow sensible business decisions to be made about allocation of resource, distribution of marketing budget based on the effectiveness of appropriate media, and the development of new products (Letting, 2003).

## **2.5 Institutionalising Knowledge Management.**

Organizations can no longer rely on technology alone to deliver competitive advantage. In any case, today the latest technology and process methodology are available off the shelf and at a fraction of the original cost. It is the intellectual capital that fills the gap in the economy (Thite, 2004).

Today, the necessity for people to question the very fundamental assumptions or mental models about their work and enterprise is quite evident. Most industries today testify to the fact that their environment is changing more rapidly than ever before. They are affected by a variety of factors, such as technology breakthroughs, decreasing government funding, globalizing markets and competition, changing profile and preferences of shareholders and customers and so on. In many countries, large companies operated as monopolies or dominant market leaders in banking, telecommunication, aviation, pharmaceuticals etc. but today, they are as vulnerable to environmental uncertainty as anyone else. Size and or technical market and financial dominance no longer assure future success.

Thus, circumstances are forcing organizations and people to alter their way of thinking and working. And those who can think and work better, smarter and faster survive and prosper. This requires them to become learning organizations.

## **2.6 Learning: An Imperative**

The working environment has had to transform with the changing times. Management has to facilitate teams of workers to work on their own and figure out the best way of doing things rather than direct and control them. Further, the management needs to persuade workers to share their knowledge with others and empower the entire organization to benefit from the generation and application of new knowledge. As more and more manual work is automated, workers have to use their brain more than their hands, to think ways and means of responding

to fast-changing demands with speed and agility. It requires learning to learn better ways of doing things and servicing the customer in the best way possible every time, all the time.

Today, the focus is on competencies that enable people to self-manage, work in teams, think globally, boldly and unconventionally, and deploy the power of intuition and emotional intelligence. Competencies also include character, as without the latter, people will not share their knowledge.

## ***2.7 Learning at Individual Level***

Learning takes place when disjuncture, disciplines, surprises or challenges act as triggers that stimulate response. Individuals implement a strategy based on this trigger, which may or not work. When it doesn't work, there is dissonance, and the cycle is triggered again (Marsik, 2004).

Between the initial trigger and determination of strategy is an implicit filtering of information through selective perception, values, beliefs and framing of the situation. These filters are products of individual's prior experiences and social contexts.

The actions taken are constrained by their capacity to act (e.g. Skills, authority, resources, and power).

Out of the consequences and attributions about causes individuals selectively make meaning of the experiences and retain or embed these cognitive reconstructions as what is learned from experience.

## ***2.8 Learning at Organizational Level***

In Organisations, learning is a collective experience. Changes in status quo may trigger learning. This may be: new regulation, new technology, market downturn, customer dissatisfaction, new demands, or new vision.



## **2.9 Learning: An interactive and interdependent process.**

Active environmental scanning enables organization to proactively shape responses. Organizations culture acts as filter to direct organization's attention. Key people in the organization (collectively or separately) arrive at a strategy to respond.

Success of strategy requires collective organizational action, hence need for alignment about vision, shared meaning of intentions and capacity to work across many different kinds of boundaries. Once organization responds, individuals and departments make assumptions about effectiveness of that response. There are consequences for both individuals and organizations as a result of these actions. If the response has been to integrate new technology, for example, considerable learning may be required at individual level before organization has new capacity. Organizational learning is the net result of this cycle. What is learned is what the organization retains such as a new capacity, a new understanding of what does not work, or a new procedure or technology (Watkins, 2004).

Some organizations have systematic means of capturing disseminated/re-embedding new learning so as to be widely available for current and future. Others do not.

Change must happen from individual to a group, from organizational to environmental, these changes must become new practices that enable and support ability to use learning to improve performance.

Learning at organization is not sum of many people learning. Yet, individuals carry with them microcosmic portrait of organization (Agyris and Schon, 1996). Through these portraits, we can detect changes in organizations mental models, Shared values, and memory.

### **2.1.1 Learning and Knowledge in Organisations: the approaches**

There are different definitions of and approaches to a learning organization. Senge (1993) describes a learning organization as a place where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning how to learn together. Senge advocates that the heart of a learning organization lies in learning that results in a "shift of mind" something that transforms who we are and what we do.

Argyris (1978) argues that when an environment is so uncertain that cause and effect cannot be reasonably established, single-loop (corrective) learning that involves correcting errors against set norms, becomes ineffective. Such an environment calls for double-loop (generative) learning that allows and encourages people to constantly question and test existing norms, beliefs, values and even goals to ensure alignment with fast-changing scenarios. This involves the self-questioning ability. However, in a bureaucratized environment, people are rarely encouraged to question the standard operating norms and procedures, and organizations face an uphill battle to change the mindset of people.

Learning by individuals is necessary but not sufficient for an organization to change. Organizational learning is more than the sum of individual learning. However, the challenge here is to convert individual learning into organizational learning as otherwise “the processes and insights evaporate (e.g. when a long-time employee leaves an organization) because they were not shared or made a part of collective memory.

Organizational learning is becoming increasingly important phenomenon within business world as a result of its effects on efficiency and effectiveness of organizations performance (Amulyoto, 2000).

Learning organizations identify key characteristic of their environment and are able to plan ahead. They attempt to identify interactions between firms; sub-systems that facilitate or inhibit management of change are better and able to cope with environment and other changes because they can accommodate unpredictability. They are not encumbered with rigid and outdated plans and procedures (Amulyoto, 2000).

Learning organizations are proactive hence take initiative; acting in ways that remove need to adapt. Firm's advantage in this era depends on its ability to develop and retain knowledge that is developed by structured organizational learning and used and retained through careful knowledge Management (Jauck and Glueck, 1988).

Hence the firm needs to use combined efforts, skills, expertise of all its Human Resources. Most organizations go down a corridor, like a drunk. Once set; they move in the direction, crash into a wall; if they survive they go another direction and move until they hit another

wall. At the very best, they reach the end very bruised. Change and learning through crisis is very painful and wasteful to both the organization and the individual. It involves massive restructuring, redundancy programs, and writing off goods and machinery.

Watkins (1998) contends that knowledge capital is what a buyer will be willing to pay for a firm over and above its book value. Coca Cola's value is more than the water, sugar and bubbles; its real value is in its knowledge of markets, customers and competitors.

Nasseri (1997) in an effort to explain intellectual capital wrote:

“ Just imagine that your company is suddenly struck by a knowledge blight that erases all corporate knowledge from the storage media including employees minds. The difference between the market value before and after the blight struck is the value of the company's intellectual capital.”

A number of approaches to measuring knowledge capital, focus on key indicators of future strategic value. For example, Beck (1992) counted the number of patents and patent disclosures, the percentage of knowledge workers among the total workforce, whether investments in technology are steadily increasing, or the percentage of the organization operating in the “new economy”.

Studies carried out by Yang (2003) provide growing evidence of a relationship between performance and dimensions of the learning organization. What is more interesting is the way in which the people variables influence system variables, which in turn are most likely to influence changes in performance but only when moderated by strategic leadership for learning. Similarly, it is interesting that the only direct predictor of knowledge performance is whether the organization has created systems to capture and share knowledge.

It is striking to note how the resulting model supports the argument put forward by Senge (1990) that the fifth discipline - systems thinking (i.e. making systemic connections and creating embedded systems to capture and share knowledge) is the glue that makes the other disciplines work. One might conclude that the learning culture is found in the minds and hearts of the people.

In recognising the significance of knowledge to strategic success, organizations are now seeing knowledge as a resource worth managing just as raw materials, employees etc. Rather than treat knowledge about products and processes as a responsibility of the individual employees, management seeks ways for strategic application of the knowledge. These efforts to systematically gather knowledge, make it widely available in the organisation and foster a culture of learning are called knowledge management (Daft, 2000).

Dodgson (1993) defines organizational learning as the way firms build, supplement and organise knowledge and routines around their activities and within their cultures and adapt and develop efficiencies by improving the use of broad skills and their workforces.

Literature identifies knowledge management as a current gap in Human Resources Development and suggests that this is a strong opportunity for HRD to demonstrate its capabilities (Athey and Orth, 1999).

Many scholars have advanced different but related models in an effort to identify knowledge management systems in organisations.

Marsik (1997) identified the nature of Management of Knowledge in organisations as being determined by the following dimensions:

1. People empowerment and existence of a shared vision: The extent to which people are involved in setting, owning and implementing a shared vision, responsibility is distributed close to decision making so that people are motivated to learn toward what they are held accountable to do.
2. Connecting organisation to its environment: Employees are assisted to appreciate the effect of their work on the entire enterprise, they do environmental scanning and utilise the information to adjust their own work practices. Organisation is not an island; is linked to its communities.
3. Provision of leadership to promote continuous learning: Learning is championed and supported by the leaders. Learning is strategically used for achievement of business results.

4. Promotion of inquiry and organisational memory systems: Culture of challenging status quo is encouraged, views are sought, feedback and experimentation in search for new knowledge is respected. "Corporate knowledge" so acquired is stored in a repository for current and future members hence freshly discovered solutions are kept as reference for use resulting in continuous modification of procedures.
5. Collaboration and team learning: Collaboration is valued by the culture and rewarded. Work is designed to encourage group consultation and learning together.
6. Creation of systems to capture and share learning: Systems are created and maintained (both high and low technology) to share learning, integrated with work.

Senge (1990) identifies five disciplines of learning organisation: systems thinking, shared vision, personal mastery, team learning and mental models.

In learning organizations, people are always inquiring into the systemic consequences of their actions, rather than just focusing on local consequences. They can understand the interdependencies underlying complex issues and act with perceptiveness and leverage. They are patient in seeking deeper understanding rather than striking out to "fix" problem symptoms because they know that most fixes are temporary at best, and often result in more severe problems in the future.

As a result of these capabilities, learning organizations are both more generative and more adaptive than traditional organizations. Because of their commitment, openness, and ability to deal with complexity, people find security not in stability but in the dynamic equilibrium between holding on and letting go of beliefs, assumptions, and certainties. What they know takes a second place to what they can learn, and simplistic answers are always less important than penetrating questions (Senge & Koffman, 1993).

While the gains from downsizing, reengineering, and "slash and burn" retrenchments often fail to sustain themselves, the gains from enhancing learning capacity have proven to be sustainable, cumulative, and self-reinforcing. All of the challenges of profound change are predictable.

Senge (1993) contends that it will not be adequate to offer training and hope that people will be able to apply new insights and methods. Nor will help from consultants be sufficient to bring about the fundamental shifts in thinking and interacting and the new capabilities needed to sustain those shifts. It will be necessary to redesign work if the types of ideas developed above are to find their way into the mainstream of management practice.

He believes that a guiding idea for redesigning work will be virtual learning spaces, or what have come to be known at the Learning Centre as “managerial practice fields.” The learning that occurs in sports teams and the performing arts is embedded in continuous movement between a practice field and a performance field.

The link between a firm’s knowledge base and its competitive advantage is recognised by scholars (Barney, 1991). Garvin (1993) defines a learning organization as an organization skilled at creating, acquiring, and transferring knowledge, and at modifying its behaviour to reflect new knowledge and insights. He traces three overlapping stages in the process of learning: cognitive stage where people are exposed to new ideas and begin to think differently; behavioural stage where people internalise new insights and start altering their behaviour; and finally, performance improvement stage when altered behaviour results in marked improvement. The shorter the learning cycles, the superior is the performance. Garvin proposes that successful organizational learning occurs through;

- Systematic problem-solving
- Experimentation with new approaches,
- Learning from own experience and past history,
- Learning from the experience and best practises of others, and
- Transferring knowledge quickly and efficiently throughout the organization.

Pedler *et al* (1997) uses the term “learning company” (to emphasize collective endeavour) and define it as an organization that facilitates the learning of all its members and consciously transforms itself and its context. In their model, they front the following characteristics as those of a learning company:

- A learning approach to strategy: where policy and strategy formulation are consciously structured for learning.
- Participative policy-making i.e. all stakeholders of organisation have a chance to contribute to major decisions involving customers, suppliers and community groups.
- Information: where information technology makes information available to frontline staff in order to empower them to act on their own initiative.
- Formative accounting and control: where systems of budgeting, reporting and accounting are structured to assist learning hence delight all internal customers.
- Internal exchange: where all internal units see themselves as customers and suppliers to the end –user or client.
- Reward flexibility: where flexible and creative rewards, both monetary, cater for individual needs for performance. Assumptions underlying reward are discussed openly.
- Enabling structures: where structures can easily be changed to meet the job, user, or innovation requirements.
- Boundary workers as environmental scanners. Members who are directly involved with customers, community representatives, clients etc systematically gather collate and feedback information which then gets disseminated to the team.
- Inter-company learning: through joint trainings, job exchanges and other learning alliances for mutual exchange.
- A learning climate: Where all managers see their primary task as facilitating employees' experimentation and learning from experience, through questioning, feedback and support.
- Self- development opportunities for all: where people take responsibility for their own learning and development and the organization provides resources and facilities for self-development to all members.

In an organizational context, an ideal learning organization “includes notions of organizational adaptability, flexibility, avoidance of stability traps, propensity to experiment, readiness to rethink means and ends, inquiry orientation, realization of human potential for learning in the service of organizational purposes, and creation of organizational settings as contexts for human development.

Merely generating ideas without providing a channel to implement them can be both unproductive to the organization and demoralizing to employees.

It is true that all managers have to compete for scarce resources and cannot throw money to let people do things that they are passionate about. But by communicating the strategic direction of the company and by working with people to understand the practical implications of their ideas and the feasibility of turning them into marketable products and services within a reasonable time-frame, managers can productively channellize the creative flow (Thite 2004).

A number of scholars have argued that tacit knowledge is a valuable source of competitive advantage because it protects a firm against boundary leakages of firm-specific know-how assets (Shuen, 1993). In addition tacit knowledge has a higher potential for generating returns when put to work within the boundaries of the firm (DeLeo, 1994).

According to Marsick and Watkins (1999), learning occurs when ideas and information are accessible to individuals across the organization who can share, discuss and use them, constructing new knowledge in the process. The technology becomes a tool for the organization by capturing the learning that occurs and facilitating sharing it with others.

Several studies have been done to confirm the relationship between a firm's knowledge management structures and financial performance of organisation. Marsik and Watkins (2003) developed instruments to find this link while Ellinger and young (2003) established a business case for learning organisation.

### **2.1.2 Barriers to Learning**

Argyris (1978) identifies "organizational defensive routines" as the most visible force that inhibits learning. When questioned, people take defensive positions and use their power and knowledge to uphold their decision or viewpoint, even when they are aware that their stand does not serve organisational interests. He argues that organizational defensive routines encourage individuals to bypass the causes of the embarrassment or threat and to cover up by the bypass. Examples of this system include politicking, game playing, layering etc.

Senge (1990) rightly points out that due to severe learning disabilities, most organizations die before the age of forty. He gives the example of a boiled frog i.e. how a frog gets used to a very slowly rising temperature to the extent that it sits quiet even when the temperature



reaches boiling point, to illustrate how people and organizations get accustomed to slow decay and miss out on the early warning signals.

By learning to unlearn well-entrenched organisational defensive routines, people can question past routines and create new knowledge. Organizational learning mainly depends on its employees, willingness to cast off or unlearn past practices that are no longer relevant. Core competencies can become core rigidities and therefore how to learn is more important than what you learn. HR professionals may sometimes unwittingly reinforce organizational defensive routines through inappropriate HR policies and procedures rather than helping organizations overcome unproductive assumptions. Thus, unlearning is an integral part of the learning process and is even more so in knowledge economy as knowledge becomes obsolete very fast and its context and application change all the time.

Managing learning, however, is not without its share of politics. Since knowledge is associated with power, money, and success, it is consequently associated with lobbying, intrigue, and backroom deals. Effective knowledge management involves political alliances and deals between those who have knowledge and those who use it. This involves a firm commitment on the part of those who work on latest skills, technologies, processes and emerging markets to pass on their knowledge to other members of the organization by doubling up as in-house trainers. Sharing actually enriches and enhances one's knowledge. HR should publicly recognize and reward people who share knowledge and create interactive forums to facilitate the process (Thite, 2004).

One of the paradoxes of the new economy is that while speed and agility define success, learning to succeed is a gradual and time-consuming process. According to Nordstrom (2003), even though the new economy comes without speed limits, creativity cannot be forced upon people. To be creative we need slack. We need resources and time. We need time to play around. We need time to experiment. We need to have casual conversations with others.

Lack of systems thinking is another barrier to deep learning. Organizations often resort to short-term problem fixing and patching, without realizing that such hasty repairs cause problems elsewhere and deepen the problem in the long run. For instance, by resorting to widespread retrenchment in a downturn, organizations end up losing critical knowledge

sources that have been developed painstakingly over the years and as a result, lessen their ability to face future challenges. Thus Senge (1990) puts it that “Today’s problems come from yesterday’s ‘solutions’ ”.

### **2.1.3 Managing Failure and Success**

Learning involves tolerance towards failure. Research shows that the majority of innovative ideas fail to become commercial reality. Storey and Quintas (2001) argue that innovation is about diversity, untypical and uncertainty, and it therefore, carries a considerable degree of risk. Human Resources has to ensure that people are encouraged to boldly experiment and share their views without any fear or apprehension.

However, organisations are too reluctant to admit failure. Even companies known for excellence in management, talk eloquently about their success stories but fall silent when asked to identify areas of weaknesses that need improvement. Mere encouragement to generate new ideas is not enough. When people make genuine attempts to implement their ideas and fail, they need to be encouraged, not discouraged, to try further. Otherwise, they will never bother to think again and try again; they will merely follow their managers. This amounts to celebrating failure.

Fear of failure can cause untold damage. Managers with a command and control style use their fears as their main weapon to make employees compliant and suppress freedom of thought and expression. Therefore, to drive away the fear of failure, managers who foster it should be driven away first. In this process, leaders at the top play a crucial role as it is the test of their commitment to the learning process.

Similarly, success also needs to be managed effectively. One may think that success feeds success and therefore, does not need to be managed. But there are many traps hidden in managing success. It may lull people into thinking that they know everything there is to know and stop learning. Success may be attributed to wrong persons or teams as some people are shy to blow their own trumpet while some others are experts at it. It could be due to cultural background where modesty is preferred over self- promotion. Further, lessons from success may be applied to inappropriate situations, locations or times.

#### **2.1.4 Benchmarking Against Best Practices:**

Once an idea is turned into a successful innovation, it becomes common knowledge and others will start noticing it. Learning organizations are keen to learn both within as well as from outside. Sometimes, ideas are borrowed from totally unrelated organizations or situations. Today, many organizations build enduring relationships with contractors, suppliers and customers to learn from each other. Often, customers provide critical insights and a comparative picture of competing products and therefore, keeping the eyes and ears open for customer feedback is a prerequisite to benchmarking practices.

Internal and external benchmarking can serve a number of purposes: leveraging knowledge, breaking establishment paradigms, creating a readiness for action, and providing models of excellence. However, researchers point out that transferring best practices is easier said than done. Szulanski (1994) reasons that the slow process could be due to ignorance of the source and the recipient about the existence and utility of knowledge ( a case of the left hand not knowing what the right hand is doing), lack of resources to implement new practices, lack of personal relationship and rapport between the parties.

O'Dell and Grayson (1998) also observe that the natural desire of people to learn and share is thwarted by a variety of organization-related reasons, such as structures that promote "silos" behaviour, culture that promotes personal knowledge over sharing of knowledge, poor social networks between people, over reliance on transmitting what is already known rather than what is unknown, and lack of reward for people to learn and share knowledge. They point out that in consulting organizations; despite having best –in class online databases, consultants hesitate to share knowledge because of the culture that rewards individual success over team success and competitive pressures that leave no time to share.

## CHAPTER 3: RESEARCH METHODOLOGY

### 3.1 Introduction

This section looks at the way the research process was carried out. It includes a discussion on research design, the population, sampling, and Data collection methods, measures of variables and data analysis.

### 3.2 Research Design

A descriptive design was used in this survey. Churchill (1991) notes that a descriptive study can be used when the purpose is to:-

- a) Describe the characteristics of certain goals
- b) Estimate proportion of people who behave in a certain way
- c) Make specific predictions

This is an ex post facto case study. It sought to find out the 'what is' or the existing scenario.

### 3.3 The population:

The population was composed of all the 410 employees of British American tobacco Kenya, structured into seven departments thus:

Leaf, Cigarette manufacturing, Human Resources, Supply chain, Finance, IT, Marketing.

### 3.4 Sample and Sampling procedures:

Proportionate stratified sampling was used to obtain a total sample of 77 employees from the various departments to participate in the study. This figure represents 19% of population, which is within the requirement of 10-20% of the population for a sample to be statistically adequate. Table 3.4.1 below gives the details of the sample size per department.

**Table 3.4.1: Sample by department**

|               | No of staff | % of total | No in sample |
|---------------|-------------|------------|--------------|
| Leaf          | 94          | 23         | 13           |
| Marketing     | 82          | 20         | 12           |
| Manufacturing | 155         | 38         | 30           |
| IT            | 5           | 1          | 4            |
| HR            | 9           | 2          | 4            |
| Supply Chain  | 11          | 3          | 6            |
| Finance       | 54          | 13         | 8            |
|               | <b>410</b>  | <b>100</b> | <b>77</b>    |

### 3.5 Data Collection Method

Data was collected using a self-administered questionnaire. This self-administration might explain the high response rate (86%), which would have otherwise been low due to busy nature of the respondents.

### 3.6 Measures of variables:

Walton (1990) explains Marsik model of determining KM practices as based on the following dimensions:

1. People empowerment and existence of a shared vision
2. Connecting organisation to its environment
3. Provision of leadership to promote continuous learning
4. Promotion of inquiry and organisational memory systems
5. Collaboration and team learning
6. Creation of systems to capture and share learning

The questionnaire was developed along these dimensions.

### 3.7 Data analysis:

In this study, descriptive statistics was be used in the analysis. The responses were analysed in terms of Department, by Age and by Category of employment.

## CHAPTER 4: RESULTS AND DISCUSSIONS

This section looks at the results obtained from the questionnaires that were administered. The data from the completed questionnaires was summarized and presented in tables and percentages. The chapter is presented in two parts; beginning with the general information that was obtained from the first part of the questionnaire. The second part of analysis focuses on questions which were asked in the second part of the questionnaire. This analysis seeks to answer the research objectives. Discussions of salient findings are also included.

### 4.1 PART 1: OVERVIEW

Tabulation of the questionnaires distributed and returned per location was done and presented in table 4.1.1 below.

**Table 4.1.1 Number of Questionnaires Distributed and Returned**

|                      | No.distributed | %popn     | Returned  | %Returned |
|----------------------|----------------|-----------|-----------|-----------|
| <b>Leaf</b>          | 13             | 10        | 9         | 69        |
| <b>Marketing</b>     | 12             | 7         | 6         | 50        |
| <b>manufacturing</b> | 30             | 19        | 29        | 97        |
| <b>IT</b>            | 4              | 80        | 4         | 100       |
| <b>HR</b>            | 4              | 44        | 4         | 100       |
| <b>Supply Chain</b>  | 6              | 55        | 6         | 100       |
| <b>Finance</b>       | 8              | 15        | 8         | 100       |
| <b>TOTAL</b>         | <b>77</b>      | <b>16</b> | <b>66</b> | <b>86</b> |

Table 4.1.1 show a response rate of 86%. This relatively high response rate is probably attributable to the self-administration method of data collection which was adopted in this study.

**Table 4.1.2 Job Category**

|                       | Frequency | %            | Valid % | Cumulative % |
|-----------------------|-----------|--------------|---------|--------------|
| <b>Management</b>     | 24        | 36.4         | 38.1    | 38.1         |
| <b>Non Management</b> | 39        | 59.1         | 61.9    | 100.0        |
| <b>Total</b>          | 63        | 95.5         | 100.0   |              |
| <b>System</b>         | 3         | 4.5          |         |              |
|                       | <b>66</b> | <b>100.0</b> |         |              |

Table 4.1.2 shows that nearly 60 % of the respondents were non-managers while the other 40% are managers, representing well the population reality at BAT.

**Table 4.1.3: Length of Service**

|                 | Frequency | %            | Valid % | Cumulative % |
|-----------------|-----------|--------------|---------|--------------|
| <b>Below 5</b>  | 19        | 28.8         | 34.5    | 34.5         |
| <b>6 – 10</b>   | 23        | 34.8         | 41.8    | 76.4         |
| <b>11 – 15</b>  | 3         | 4.5          | 5.5     | 81.8         |
| <b>16 – 20</b>  | 6         | 9.1          | 10.9    | 92.7         |
| <b>Above 20</b> | 4         | 6.1          | 7.3     | 100.0        |
| <b>Total</b>    | 55        | 83.3         | 100.0   |              |
| <b>System</b>   | 11        | 16.7         |         |              |
|                 | <b>66</b> | <b>100.0</b> |         |              |

Table 4.1.3 shows that 76% of all respondents have worked for BAT for 10 years and below. Those who have worked more than twenty years are only 7.3%

**Table 4.1.4: Age**

|                 | Frequency | %            | Valid % | Cumulative % |
|-----------------|-----------|--------------|---------|--------------|
| <b>Below 25</b> | 10        | 15.2         | 15.4    | 15.4         |
| <b>26 - 30</b>  | 15        | 22.7         | 23.1    | 38.5         |
| <b>31 - 35</b>  | 16        | 24.2         | 24.6    | 63.1         |
| <b>36 - 40</b>  | 15        | 22.7         | 23.1    | 86.2         |
| <b>Above 40</b> | 9         | 13.6         | 13.8    | 100.0        |
| <b>Total</b>    | 65        | 98.5         | 100.0   |              |
| <b>System</b>   | 1         | 1.5          |         |              |
|                 | <b>66</b> | <b>100.0</b> |         |              |

Table 4.1.4 shows that majority of the respondents (62%) are below 40 years of age. This represents the general demographic reality at BAT.

**Table 4.1.5: Gender**

|               | Frequency | %            | Valid % | Cumulative % |
|---------------|-----------|--------------|---------|--------------|
| <b>Male</b>   | 55        | 83.3         | 85.9    | 85.9         |
| <b>Female</b> | 8         | 12.1         | 12.5    | 98.4         |
|               | 1         | 1.5          | 1.6     | 100.0        |
| <b>Total</b>  | 64        | 97.0         | 100.0   |              |
| <b>System</b> | 2         | 3.0          |         |              |
|               | <b>66</b> | <b>100.0</b> |         |              |

Table 4.1.5 shows that majority of the respondents (83.3%) were male. This is also reflected in the total population, which is predominantly male.

**Table 4.1.6: Education**

|                      | Frequency | %            | Valid % | Cumulative % |
|----------------------|-----------|--------------|---------|--------------|
| Primary Education    | 5         | 7.6          | 7.7     | 7.7          |
| Post Secondary       | 8         | 12.1         | 12.3    | 20.0         |
| Undergraduate degree | 17        | 25.8         | 26.2    | 46.2         |
| Secondary Education  | 10        | 15.2         | 15.4    | 61.5         |
| Diploma              | 20        | 30.3         | 30.8    | 92.3         |
| Post Graduate Degree | 5         | 7.6          | 7.7     | 100.0        |
| <b>Total</b>         | 65        | 98.5         | 100.0   |              |
| <b>System</b>        | 1         | 1.5          |         |              |
|                      | <b>66</b> | <b>100.0</b> |         |              |

Table 4.1.6 shows that those with undergraduate degrees and diplomas formed a majority of the respondents (57%).

## 4.2 PART 2: DETAILED ANALYSIS

This subsection of the analysis deals with section 2 of the questionnaire in an effort to achieve the two research objectives.

### (a) Creation of continuous learning opportunities

Table 4.2.1: Leaders continuously seek learning opportunities.

|                   | Frequency | Percent      | Valid % | Cumulative % |
|-------------------|-----------|--------------|---------|--------------|
| To a less extent  | 5         | 7.6          | 7.7     | 7.7          |
| Moderate extent   | 20        | 30.3         | 30.8    | 38.5         |
| Great extent      | 35        | 53.0         | 53.8    | 92.3         |
| Very Great extent | 5         | 7.6          | 7.7     | 100.0        |
| Total             | 65        | 98.5         | 100.0   |              |
| System            | 1         | 1.5          |         |              |
|                   | <b>66</b> | <b>100.0</b> |         |              |

Table 4.2.1 shows that 3.8 % of the respondents felt that to great extent, leaders seek opportunity to learn. A further 30.8% agreed that this happens to a moderate extent. Only 7.7 % feel that this happens to a less extent, and a similar percentage also feels that the seeking of opportunities for learning by the leaders happens to a very great extent, an indication that the leadership capabilities competency model that has been adopted and reinforced through various retreats, team building activities, leadership development trainings etc is having its effect as desired.

Table 4.2.2: Vital information handing over occurs during transition

|                   | Frequency | %            | Valid % | Cumulative % |
|-------------------|-----------|--------------|---------|--------------|
| Not at all        | 3         | 4.5          | 4.6     | 4.6          |
| To a less extent  | 12        | 18.2         | 18.5    | 23.1         |
| Moderate extent   | 24        | 36.4         | 36.9    | 60.0         |
| Great extent      | 20        | 30.3         | 30.8    | 90.8         |
| Very Great extent | 6         | 9.1          | 9.2     | 100.0        |
| Total             | 65        | 98.5         | 100.0   |              |
| System            | 1         | 1.5          |         |              |
|                   | <b>66</b> | <b>100.0</b> |         |              |

Table 4.2.2 shows that in this study, 78.8% perceive the handing over of vital information during transitions to be occurring to a moderate extent.

It is imperative in KM that knowledge is not only developed but also stored for current and future use. Without adequate processes to ensure storage and availability of knowledge, organisations might lose track of very vital knowledge with the result of untold repercussions. This typically happens when there is separation, transfer or any change of office holders without proper handing over of vital information.



**Table 4.2.3: Changing top Leadership does not lead to noticeable change in management practices and focus**

|                          | Frequency | %            | Valid %      | Cumulative % |
|--------------------------|-----------|--------------|--------------|--------------|
| <b>Not at all</b>        | 2         | 3.0          | 3.0          | 3.0          |
| <b>To a less extent</b>  | 9         | 13.6         | 13.6         | 16.7         |
| <b>Moderate extent</b>   | 30        | 45.5         | 45.5         | 62.1         |
| <b>Great extent</b>      | 18        | 27.3         | 27.3         | 89.4         |
| <b>Very Great extent</b> | 7         | 10.6         | 10.6         | 100.0        |
| <b>Total</b>             | <b>66</b> | <b>100.0</b> | <b>100.0</b> |              |

Table 4.2.3 shows that Organizations have been said to reflect the top leadership. Some organizations however go to an extent where any change in top leadership return the organization to ground zero; they have to start all over again, putting into place new systems according to the whims of the new boss. This is undesirable as such organizations can never boast of a mature culture of their own and long term plans become difficult to see through.

The table above shows that over 83% of respondents believe that change in leadership does not necessarily result in change of focus for the organization. This is desirable.

**Table 4.2.4: Updated database of information**

|                          | Frequency | %            | Valid %      | Cumulative % |
|--------------------------|-----------|--------------|--------------|--------------|
| <b>To a less extent</b>  | 6         | 9.1          | 9.1          | 9.1          |
| <b>Moderate extent</b>   | 19        | 28.8         | 28.8         | 37.9         |
| <b>Great extent</b>      | 25        | 37.9         | 37.9         | 75.8         |
| <b>Very Great extent</b> | 16        | 24.2         | 24.2         | 100.0        |
| <b>Total</b>             | <b>66</b> | <b>100.0</b> | <b>100.0</b> |              |

Table 4.2.4 shows that BAT has several databases of information about people movements, latest best practices, organisation plans, other operating companies etc. Databases are a critical source of Tacit Knowledge and an indicator of efforts to harness and avail the same.

This table indicates that 24% feel that to a very great extent, these databases are kept up to date. About 38% also agree that this is true to a great extent.

**Table 4.2.5: People openly discuss mistakes in order to learn from them**

|                          | Frequency | %            | Valid %      | Cumulative % |
|--------------------------|-----------|--------------|--------------|--------------|
| <b>Not at all</b>        | 5         | 7.6          | 7.7          | 7.7          |
| <b>To a less extent</b>  | 14        | 21.2         | 21.5         | 29.2         |
| <b>Moderate extent</b>   | 25        | 37.9         | 38.5         | 67.7         |
| <b>Great extent</b>      | 18        | 27.3         | 27.7         | 95.4         |
| <b>Very Great extent</b> | 3         | 4.5          | 4.6          | 100.0        |
| <b>Total</b>             | <b>65</b> | <b>98.5</b>  | <b>100.0</b> |              |
| <b>System</b>            | 1         | 1.5          |              |              |
|                          | <b>66</b> | <b>100.0</b> |              |              |

Table 4.2.5 shows that 18% of the respondents felt that to a great extent, mistakes are openly discussed with a view to learning from them. 25% feel this happens to a moderate extent while 14% feel it happens to a less extent. 3% feel this happens to a very great extent.

This may imply that the company has made good effort to allow discussion of mistakes and the resultant learning that comes there from. However, the fact that over 30 % only agree to

great extent means that more effort is required in this area. Organisations that do not have free discussion of mistakes and learning run the risk of their employees refraining from experimentation and risk taking. This in turn hinders creativity and innovation.

The panacea would be to refrain from blame culture. Instead, encourage discussion of errors and learning reviews such as After Action Reviews

**Chart 4.2.6: People help each other learn**

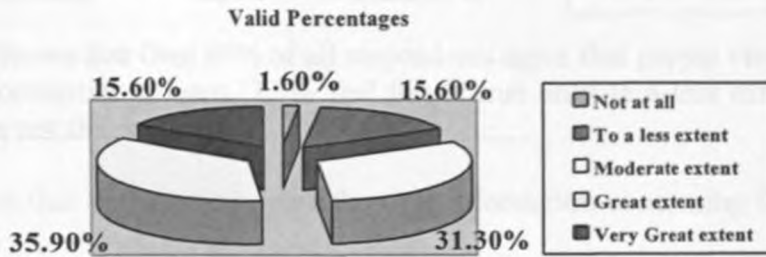


Chart 4.2.6 shows that, a majority (34.8%) feel that people in this organisation help each other to learn, to a great extent. 34.8% perceive this to be happening only moderately. In organisations where this it's scored lowly, the tendency is that individual learning is given priority over team learning and knowledge sharing. The downside of this is that the organisation loses totally in case of separation, since those with the knowledge go with it and a vacuum is therefore created.

To address this situation an organisation would need to develop reward programs that recognise team achievement, encourage managers who nurture and recognise knowledge sharing among their staff, promote systems that ensure people help each other on the jobs e.g. interlinking information from various departments.

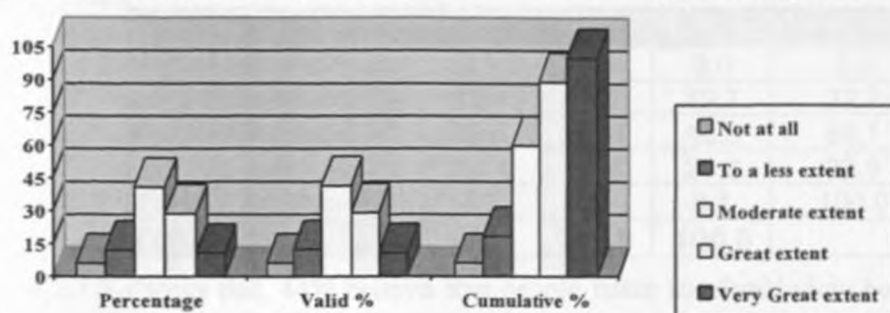
**Table 4.2.7: People are given time to support learning**

|                   | Frequency | %            | Valid %      | Cumulative % |
|-------------------|-----------|--------------|--------------|--------------|
| Not at all        | 7         | 10.6         | 10.6         | 10.6         |
| To a less extent  | 12        | 18.2         | 18.2         | 28.8         |
| Moderate extent   | 32        | 48.5         | 48.5         | 77.3         |
| Great extent      | 11        | 16.7         | 16.7         | 93.9         |
| Very Great extent | 4         | 6.1          | 6.1          | 100.0        |
| <b>Total</b>      | <b>66</b> | <b>100.0</b> | <b>100.0</b> |              |

Table 4.2.7 shows that 10.6% feel that people are not given time to support learning while 18% perceive this to be happening to a less extent. 48.5% perceive that time is given to a moderate extent while 16.7% approve that time is given to support learning to a very great extent.

To address issues of learning, organisations should set some minimum learning hours per year, or integrate learning into individuals work e.g. by use of software prompts.

**Graph 4.2.8: People view problems in their work as opportunity to learn**



Graph 4.2.8 shows that Over 80% of all respondents agree that people view problems in their work as opportunities to learn. 12.3% feel this is true only to a less extent while 6.2% do believe this is not the case.

It is important that organisations have the right information concerning the challenges in its environment.

**Table 4.2.9: People are rewarded for learning**

|                          | Frequency | %            | Valid % | Cumulative % |
|--------------------------|-----------|--------------|---------|--------------|
| <b>Not at all</b>        | 6         | 9.1          | 9.2     | 9.2          |
| <b>To a less extent</b>  | 17        | 25.8         | 26.2    | 35.4         |
| <b>Moderate extent</b>   | 29        | 43.9         | 44.6    | 80.0         |
| <b>Great extent</b>      | 8         | 12.1         | 12.3    | 92.3         |
| <b>Very Great extent</b> | 5         | 7.6          | 7.7     | 100.0        |
| <b>Total</b>             | 65        | 98.5         | 100.0   |              |
| <b>System</b>            | 1         | 1.5          |         |              |
|                          | <b>66</b> | <b>100.0</b> |         |              |

Table 4.2.9 shows that 44.6% perceive that to a moderate extent, people are rewarded for learning while 12.3% see this to be happening to a great extent. 7.7% think this is true to a very great extent while 26.2% believe it is to a less extent.

### (b) Promoting Inquiry and dialogue

**Table 4.2.1.1: People given open and honest feedback to each other**

|                          | Frequency | %            | Valid %      | Cumulative % |
|--------------------------|-----------|--------------|--------------|--------------|
| <b>Not at all</b>        | 2         | 3.0          | 3.0          | 3.0          |
| <b>To a less extent</b>  | 14        | 21.2         | 21.2         | 24.2         |
| <b>Moderate extent</b>   | 30        | 45.5         | 45.5         | 69.7         |
| <b>Great extent</b>      | 15        | 22.7         | 22.7         | 92.4         |
| <b>Very Great extent</b> | 5         | 7.6          | 7.6          | 100.0        |
| <b>Total</b>             | <b>66</b> | <b>100.0</b> | <b>100.0</b> |              |

Table 4.2.1.1 shows that 45.5% of respondents feel that people give open and honest feedback to a moderate extent. 22.7% believe is true to a great extent while 21.2% see it as true only to a less extent.

Organisations where feedback is not given openly run the risk of suppression which inhibits discussion of ideas and expectations.

**Table 4.2.1.2: People listen to others' views before speaking**

|                   | Frequency | %            | Valid %      | Cumulative % |
|-------------------|-----------|--------------|--------------|--------------|
| Not at all        | 2         | 3.0          | 3.0          | 3.0          |
| To a less extent  | 13        | 19.7         | 19.7         | 22.7         |
| Moderate extent   | 29        | 43.9         | 43.9         | 66.7         |
| Great extent      | 18        | 27.3         | 27.3         | 93.9         |
| Very Great extent | 4         | 6.1          | 6.1          | 100.0        |
| <b>Total</b>      | <b>66</b> | <b>100.0</b> | <b>100.0</b> |              |

Table 4.2.1.2 shows that, 44% believe that people listen to others' view before speaking to a moderate extent; while 19.7% believe to a less extent, however 27.3% believe this occurs to a great extent.

**Table 4.2.1.3: People encouraged to ask why regardless of rank**

|                   | Frequency | %            | Valid %      | Cumulative % |
|-------------------|-----------|--------------|--------------|--------------|
| Not at all        | 8         | 12.1         | 12.1         | 12.1         |
| To a less extent  | 18        | 27.3         | 27.3         | 39.4         |
| Moderate extent   | 23        | 34.8         | 34.8         | 74.2         |
| Great extent      | 13        | 19.7         | 19.7         | 93.9         |
| Very Great extent | 4         | 6.1          | 6.1          | 100.0        |
| <b>Total</b>      | <b>66</b> | <b>100.0</b> | <b>100.0</b> |              |

Table 4.2.1.3 shows that, 19.7% are of the view that people are encouraged to ask why regardless of rank, however 27.3 don't see it as true and 34.8% of the respondents agree to a moderate extent.

**Chart 4.2.1.4: People seek views of each other**

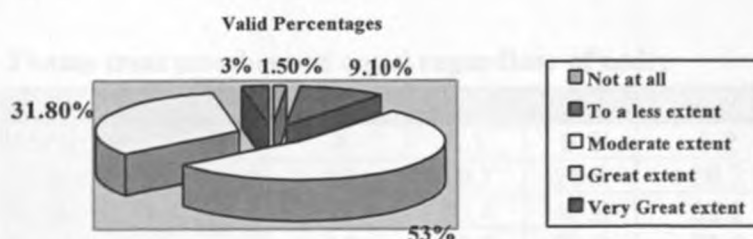


Chart 4.2.1.4 shows that, a majority (53%) believe that people seek views of each other to a moderate extent, while 31.8% agree to a great extent and 9.1% see it as not true.

**Table 4.2.1.5: People treat each other with respect**

|                   | Frequency | %            | Valid %      | Cumulative % |
|-------------------|-----------|--------------|--------------|--------------|
| Not at all        | 2         | 3.0          | 3.0          | 3.0          |
| To a less extent  | 7         | 10.6         | 10.6         | 13.6         |
| Moderate extent   | 25        | 37.9         | 37.9         | 51.5         |
| Great extent      | 21        | 31.8         | 31.8         | 83.3         |
| Very Great extent | 11        | 16.7         | 16.7         | 100.0        |
| <b>Total</b>      | <b>66</b> | <b>100.0</b> | <b>100.0</b> |              |

Table 4.2.1.5 shows that 37.7% believe that people treat each other with respect to a moderate extent. However, 31.8% feel this is true to a great extent and 10.6% agree to a less extent.

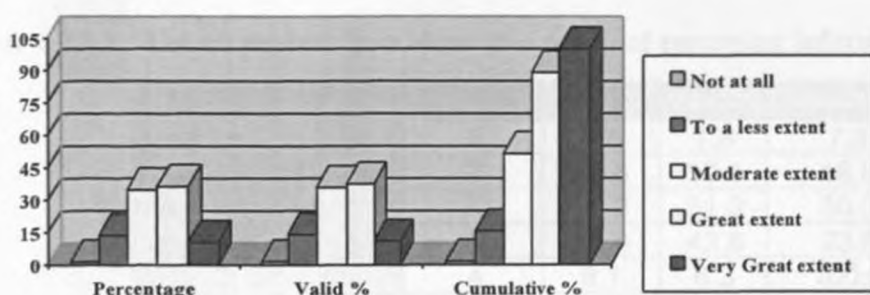
**Table 4.2.1.6: People spend time building trust with each other**

|                   | Frequency | %            | Valid %      | Cumulative % |
|-------------------|-----------|--------------|--------------|--------------|
| Not at all        | 4         | 6.1          | 6.1          | 6.1          |
| To a less extent  | 14        | 21.2         | 21.2         | 27.3         |
| Moderate extent   | 30        | 45.5         | 45.5         | 72.7         |
| Great extent      | 16        | 24.2         | 24.2         | 97.0         |
| Very Great extent | 2         | 3.0          | 3.0          | 100.0        |
| <b>Total</b>      | <b>66</b> | <b>100.0</b> | <b>100.0</b> |              |

Table 4.2.1.6 shows that 24.2% agree that people spend time building trust with each other, 45.5% perceive it happens to a moderate extend and 21.2% to a less extent.

**(c) Encouraging collaboration and team learning**

**Graph 4.2.1.7: Teams free to adopt their goals as needed**



Graph 4.2.1.7 shows that 37.5% of the respondents believe that to a great extent, teams are free to adopt their goals as needed. 35.9% feel this happens to a moderate extent while 14.1% feel it happens to a less extent.

**Table 4.2.1.8: Teams treat members as equal regardless of cadre**

|                   | Frequency | %            | Valid %      | Cumulative % |
|-------------------|-----------|--------------|--------------|--------------|
| Not at all        | 4         | 6.1          | 6.2          | 6.2          |
| To a less extent  | 13        | 19.7         | 20.0         | 26.2         |
| Moderate extent   | 26        | 39.4         | 40.0         | 66.2         |
| Great extent      | 13        | 19.7         | 20.0         | 86.2         |
| Very Great extent | 9         | 13.6         | 13.8         | 100.0        |
| <b>Total</b>      | <b>65</b> | <b>98.5</b>  | <b>100.0</b> |              |
| <b>System</b>     | <b>1</b>  | <b>1.5</b>   |              |              |
|                   | <b>66</b> | <b>100.0</b> |              |              |

Table 4.2.1.8 shows that 20% are of the view that teams treat members as equal regardless of cadre to a great extent, most respondents (40%) perception is that this happens to a moderate extent

Emphasis on status or hierarchy usually results in restriction of free flow of ideas and information. This limits innovation and development.

This situation can be addressed by rotating roles and ensuring decisions are made through discussions.

In BAT, the use of Joint consultative councils to resolve most issues has enabled decision making to remain collective.

**Chart 4.2.1.9: Teams focus on team's task as well as how the whole team is doing**

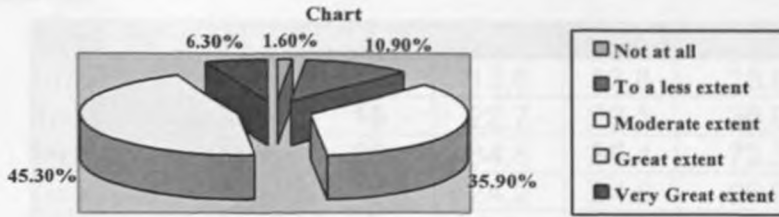


Chart 4.2.1.9 shows that, the majority (45.3%) agree to a great extent that teams focus on both the team's task and how the whole team is doing, 10.9% believe to a less extent and 35.9% to a moderate extent.

This implies that the team building activities that BAT continuously engages in are probably bearing fruit with respect to team focus.

**Table 4.2.2.1: Teams review their ideas as a result of emerging information**

|                   | Frequency | %            | Valid %      | Cumulative % |
|-------------------|-----------|--------------|--------------|--------------|
| Not at all        | 5         | 7.6          | 7.8          | 7.8          |
| To a less extent  | 7         | 10.6         | 10.9         | 18.8         |
| Moderate extent   | 20        | 30.3         | 31.3         | 50.0         |
| Great extent      | 28        | 42.4         | 43.8         | 93.8         |
| Very Great extent | 4         | 6.1          | 6.3          | 100.0        |
| <b>Total</b>      | <b>64</b> | <b>97.0</b>  | <b>100.0</b> |              |
| <b>System</b>     | <b>2</b>  | <b>3.0</b>   |              |              |
|                   | <b>66</b> | <b>100.0</b> |              |              |

Table 4.2.2.1 shows that 43.8% perceive that to a great extent, teams review their ideas as a result of emerging information, however a 10.9% feel this happens to a less extent while 31.3% believe its to a moderate extent.

Teams that tie themselves to existing mental frameworks have the tendency to insist on 'the way we have always done it' reasoning and are averse to coming out of their 'comfort zones'. This situation leads to inbreeding and recycling of the same old ideas.

**Table 4.2.2.2: Teams are rewarded for their achievements as a team.**

|                   | Frequency | %            | Valid %      | Cumulative % |
|-------------------|-----------|--------------|--------------|--------------|
| Not at all        | 12        | 18.2         | 18.8         | 18.8         |
| To a less extent  | 19        | 28.8         | 29.7         | 48.4         |
| Moderate extent   | 17        | 25.8         | 26.6         | 75.0         |
| Great extent      | 11        | 16.7         | 17.2         | 92.2         |
| Very Great extent | 5         | 7.6          | 7.8          | 100.0        |
| <b>Total</b>      | <b>64</b> | <b>97.0</b>  | <b>100.0</b> |              |
| <b>System</b>     | <b>2</b>  | <b>3.0</b>   |              |              |
|                   | <b>66</b> | <b>100.0</b> |              |              |

Table 4.2.2.2 shows that a very low percentage (17.2%) feels to a great extent that teams are rewarded for achievements, 29.7% agree to a less extent and 26.6% agree its to a moderate extent. It is clear from this table that team rewards are either non-existent or insufficient.

The problem that may arise is that once individuals realise that it does not reward to play a team's role, they are likely to pursue their goals as individuals, thereby missing out on the synergies that associate with team working. It is a dangerous situation.

**Table 4.2.2.3: Teams are confident that the Organization will act on their recommendations**

|                   | Frequency | %            | Valid % | Cumulative % |
|-------------------|-----------|--------------|---------|--------------|
| Not at all        | 9         | 13.6         | 13.8    | 13.8         |
| To a less extent  | 15        | 22.7         | 23.1    | 36.9         |
| Moderate extent   | 23        | 34.8         | 35.4    | 72.3         |
| Great extent      | 16        | 24.2         | 24.6    | 96.9         |
| Very Great extent | 2         | 3.0          | 3.1     | 100.0        |
| Total             | 65        | 98.5         | 100.0   |              |
| System            | 1         | 1.5          |         |              |
|                   | <b>66</b> | <b>100.0</b> |         |              |

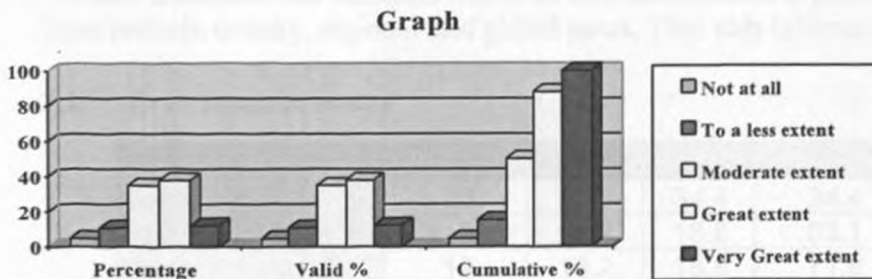
Table 4.2.2.3 shows that, 35.4% of the respondents to a moderate extent believe that teams are confident in the organization's ability to act on their recommendations while 24.6% believe this is true to great extent. 23.1% only agree to a less extent.

When teams are given tasks to perform and give recommendations, and yet they do not believe that their recommendations will be valued or used, they have no motivation to carry out these tasks diligently.

This is not to imply that all groups ideas should be adopted wholesale, it only means that due consideration should be given and reasoning probed.

**(d) Organisational systems to capture and share learning**

**Graph 4.2.2.4: My Organization helps people get needed information quickly and easily.**



Graph 4.2.2.4 shows that 37% agree to a great extent that the organization helps people get needed information while 34.8% agree to a moderate extent. 10% agree to a less extent.

Organisations with limited KM tools or those that have technology but limited skills will score lowly on this item. It would be helpful for such organisations to have such KM systems as Lotus notes, supplier links etc.

**Table 4.2.2.5: Information shared during Team briefs**

|                   | Frequency | %            | Valid % | Cumulative % |
|-------------------|-----------|--------------|---------|--------------|
| Not at all        | 1         | 1.5          | 1.6     | 1.6          |
| To a less extent  | 4         | 6.1          | 6.3     | 7.8          |
| Moderate extent   | 12        | 18.2         | 18.8    | 26.6         |
| Great extent      | 29        | 43.9         | 45.3    | 71.9         |
| Very Great extent | 18        | 27.3         | 28.1    | 100.0        |
| Total             | 64        | 97.0         | 100.0   |              |
| System            | 2         | 3.0          |         |              |
|                   | <b>66</b> | <b>100.0</b> |         |              |

Table 4.2.2.5 shows that 45.3% of the respondents perceive information shared during team briefs to be vital to a great extent. 28% find this vital to a very great extent while 18.8% see it's vital to a moderate extent.

**Table 4.2.2.6: Use of Company databases**

|                   | Frequency | %            | Valid % | Cumulative % |
|-------------------|-----------|--------------|---------|--------------|
| Not at all        | 2         | 3.0          | 3.1     | 3.1          |
| To a less extent  | 8         | 12.1         | 12.5    | 15.6         |
| Moderate extent   | 8         | 12.1         | 12.5    | 28.1         |
| Great extent      | 32        | 48.5         | 50.0    | 78.1         |
| Very Great extent | 14        | 21.2         | 21.9    | 100.0        |
| Total             | 64        | 97.0         | 100.0   |              |
| System            | 2         | 3.0          |         |              |
|                   | <b>66</b> | <b>100.0</b> |         |              |

Table 4.2.2.6 shows that 50% believe that the use of Company database contributes to a great extent in Knowledge management. 21.9% believe that this is so to a very great extent. However 12.5% of the respondents believe it's true to moderate and to a less extent respectively.

BAT has various databases and bulletins where all new information is posted and employees access. These include country, regional and global news. This aids information sharing.

**Table 4.2.2.7: Free Internet access**

|                   | Frequency | %            | Valid % | Cumulative % |
|-------------------|-----------|--------------|---------|--------------|
| Not at all        | 22        | 33.3         | 34.4    | 34.4         |
| To a less extent  | 12        | 18.2         | 18.8    | 53.1         |
| Moderate extent   | 12        | 18.2         | 18.8    | 71.9         |
| Great extent      | 10        | 15.2         | 15.6    | 87.5         |
| Very Great extent | 8         | 12.1         | 12.5    | 100.0        |
| Total             | 64        | 97.0         | 100.0   |              |
| System            | 2         | 3.0          |         |              |
|                   | <b>66</b> | <b>100.0</b> |         |              |

Table 4.2.2.7 shows that 34.4% feel that free internet access has not been adequately provided hence its contribution in managing knowledge is not there at all. 12.5% find the usefulness to be to a very great extent.

Internet access is only provided to those who require using it in formal purchasing procedures through the electronic marketplace. This may explain why so many respondents indicated it is not contributing to KM.



**Table 4.2.2.8: My Organization can measure gaps of performance**

|                   | Frequency | %            | Valid %      | Cumulative % |
|-------------------|-----------|--------------|--------------|--------------|
| To a less extent  | 11        | 16.7         | 16.7         | 16.7         |
| Moderate extent   | 25        | 37.9         | 37.9         | 54.5         |
| Great extent      | 26        | 39.4         | 39.4         | 93.9         |
| Very Great extent | 4         | 6.1          | 6.1          | 100.0        |
| <b>Total</b>      | <b>66</b> | <b>100.0</b> | <b>100.0</b> |              |

Table 4.2.2.8 shows that view of 39.4% of the respondents is that, to a great extent the organization can measure gaps between current and expected performance. 37.9% believe this happens to a moderate extent.

It is important that organisations develop system level measures of desired performance metrics that link to actual performance and track changes.

**Chart 4.2.2.9: My organization avails its learning to employees**

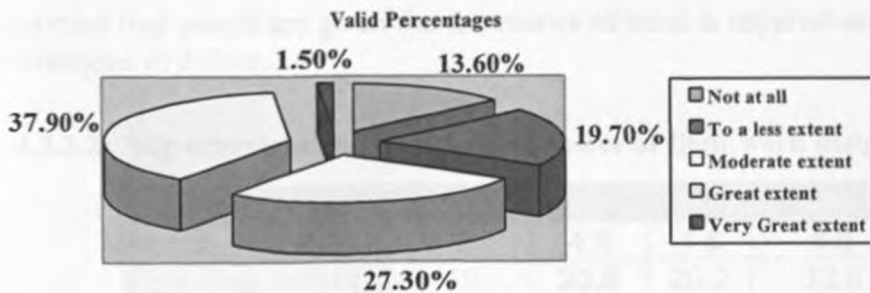


Chart 4.2.2.9 shows that 37.9% feel that the organization avails its learning to employees to a great extent, 27.3% believe it's to a moderate extent.

KM is not only about developing but also sharing Knowledge within the organisation, also storing it for future users. Organisations therefore need to have systems that identify what works and therefore need to be shared and preserved. It is important that successes are documented and shared otherwise there will be a duplication of failures, a very expensive affair.

After Action reviews, establishment of learning centres and communities of practice, knowledge networks, share fairs are some strategies that organisations can use. BAT on its part has established a learning centre and conducts After Action Reviews for most of its projects.

(e) Empowering people towards a collective vision

Table 4.2.3.1: My organization recognizes people for taking initiatives

|                   | Frequency | %     | Valid % | Cumulative % |
|-------------------|-----------|-------|---------|--------------|
| Not at all        | 5         | 7.6   | 7.6     | 7.6          |
| To a less extent  | 12        | 18.2  | 18.2    | 25.8         |
| Moderate extent   | 20        | 30.3  | 30.3    | 56.1         |
| Great extent      | 23        | 34.8  | 34.8    | 90.9         |
| Very Great extent | 6         | 9.1   | 9.1     | 100.0        |
| Total             | 66        | 100.0 | 100.0   |              |

According to the table 4.2.3.1, 34.8% agree that the organization recognizes people for taking initiatives, 30.3% agree to a moderate extent while the remaining percentage (30.3%) believes to a less extent.

BAT has "Freedom through responsibility" as one of its guiding principles. This encourages initiative taking as long as one is responsible enough and is willing to be accountable for the decisions taken.

It is important that people are given the framework of what is required and then left to work on the strategies to deliver.

Table 4.2.3.2: My organization gives people choices in their work assignments

|                   | Frequency | %     | Valid % | Cumulative % |
|-------------------|-----------|-------|---------|--------------|
| Not at all        | 3         | 4.5   | 4.6     | 4.6          |
| To a less extent  | 19        | 28.8  | 29.2    | 33.8         |
| Moderate extent   | 27        | 40.9  | 41.5    | 75.4         |
| Great extent      | 15        | 22.7  | 23.1    | 98.5         |
| Very Great extent | 1         | 1.5   | 1.5     | 100.0        |
| Total             | 65        | 98.5  | 100.0   |              |
| System            | 1         | 1.5   |         |              |
|                   | 66        | 100.0 |         |              |

Table 4.2.3.2 reveals that only (23.1%) agree to a great extent that the organization gives people choices in their work assignments, a greater percentage (41.5%) agree to a moderate extent and the other 29.2% feel it's true to a less extent.

This implies a degree of inflexibility in the way work is structured. This situation will inhibit design of own work systems, and also block the satisfaction and intrinsic motivation that comes with the same. Employees will be discouraged from thinking outside the box' to come up with new and radical ways of performing the same jobs.

Organizations may also adopt flexible work arrangements such as home working, teleworking, splitting job assignments etc.

**Table 4.2.3.3: My organization gives people time to contribute to their organization's vision**

|                   | Frequency | %            | Valid %      | Cumulative % |
|-------------------|-----------|--------------|--------------|--------------|
| Not at all        | 3         | 4.5          | 4.5          | 4.5          |
| To a less extent  | 13        | 19.7         | 19.7         | 24.2         |
| Moderate extent   | 24        | 36.4         | 36.4         | 60.6         |
| Great extent      | 25        | 37.9         | 37.9         | 98.5         |
| Very Great extent | 1         | 1.5          | 1.5          | 100.0        |
| <b>Total</b>      | <b>66</b> | <b>100.0</b> | <b>100.0</b> |              |

Table 4.2.3.3 shows that 37.9% of the respondents agree to a great extent that the organization gives people time to contribute to the organization's vision, 19.7% believe it's true to a less extent while 36.4% agree to moderate extent.

Employees are less likely to contribute very actively to a vision they did not participate in its formation. A good strategy is for organisations to adopt collaborative visioning such as future search conferences, strategy focus task forces and setting strategic direction but encouraging employees to interpret direction and report back on choices.

**Table 4.2.3.4: My organization gives people control over resources they need to accomplish their work**

|                   | Frequency | %            | Valid %      | Cumulative % |
|-------------------|-----------|--------------|--------------|--------------|
| Not at all        | 2         | 3.0          | 3.0          | 3.0          |
| To a less extent  | 14        | 21.2         | 21.2         | 24.2         |
| Moderate extent   | 27        | 40.9         | 40.9         | 65.2         |
| Great extent      | 18        | 27.3         | 27.3         | 92.4         |
| Very Great extent | 5         | 7.6          | 7.6          | 100.0        |
| <b>Total</b>      | <b>66</b> | <b>100.0</b> | <b>100.0</b> |              |

Table 4.2.3.4 shows that 27.3% say it's true to a great extent while 21.2% believe it's true to less extent.40.9% think it's true to a moderate extent.

**Table 4.2.3.5: My organization supports employees who take calculated risks**

|                   | Frequency | %            | Valid %      | Cumulative % |
|-------------------|-----------|--------------|--------------|--------------|
| Not at all        | 11        | 16.7         | 16.9         | 16.9         |
| To a less extent  | 18        | 27.3         | 27.7         | 44.6         |
| Moderate extent   | 20        | 30.3         | 30.8         | 75.4         |
| Great extent      | 15        | 22.7         | 23.1         | 98.5         |
| Very Great extent | 1         | 1.5          | 1.5          | 100.0        |
| <b>Total</b>      | <b>65</b> | <b>98.5</b>  | <b>100.0</b> |              |
| <b>System</b>     | <b>1</b>  | <b>1.5</b>   |              |              |
|                   | <b>66</b> | <b>100.0</b> |              |              |

Table 4.2.3.5 shows that 23.1% of the respondents feel that to a great extent that the organization supports employees who take calculated risks.27.7% agree it is to a less extent while 30.8% believe it happens to moderate extent.

An over cautious culture impedes experimentation and results in conservativeness and risk aversion. This does not encourage proliferation of new ideas. Employees should be encouraged to experiment with promising projects that are promising even though these may be yet to be proven.

(f) Connecting the organisation to its environment:

Table 4.2.3.6: My organization helps employees balance work and family

|                  | Frequency | %            | Valid % | Cumulative % |
|------------------|-----------|--------------|---------|--------------|
| Not at all       | 8         | 12.1         | 12.3    | 12.3         |
| To a less extent | 13        | 19.7         | 20.0    | 32.3         |
| Moderate extent  | 25        | 37.9         | 38.5    | 70.8         |
| Great extent     | 19        | 28.8         | 29.2    | 100.0        |
| Total            | 65        | 98.5         | 100.0   |              |
| System           | 1         | 1.5          |         |              |
|                  | <b>66</b> | <b>100.0</b> |         |              |

Table 4.2.3.6 shows that 38.5% feel that to a moderate extent, the organization helps employees balance work and family. 29.2% and 20% of the respondents believe this happens to a great extent and less extent respectively.

Work and family balance is an issue which has assumed significance in today's organisation. Such strategies as employee assistance programs, referrals, latchkey children's hotlines, family leave benefits have been adopted.

Table 4.2.3.7: My organization encourages people to think from a global perspective

|                   | Frequency | %            | Valid %      | Cumulative % |
|-------------------|-----------|--------------|--------------|--------------|
| Not at all        | 3         | 4.5          | 4.5          | 4.5          |
| To a less extent  | 9         | 13.6         | 13.6         | 18.2         |
| Moderate extent   | 17        | 25.8         | 25.8         | 43.9         |
| Great extent      | 34        | 51.5         | 51.5         | 95.5         |
| Very Great extent | 3         | 4.5          | 4.5          | 100.0        |
| Total             | <b>66</b> | <b>100.0</b> | <b>100.0</b> |              |

Table 4.2.3.7 shows that, most of the respondents (51.5%) believe to a great extent that the organization encourages people to think from a global perspective while 25.8% and 13.6% believe this is to a moderate and a less extent respectively.

This overwhelming agreement is probably owed to the global nature of BAT. The company keeps its employees aware about the global effect on its business especially with respect to such issues as the global anti Tobacco Lobbyists etc.

It also has developed a robust supply chain that thrives on synergies across its country offices, global opportunities, creation of virtual project teams, and global information resources.

**Table 4.2.3.8: My organization encourages everyone to bring the customers' view into the decision making process**

|                          | Frequency | %            | Valid %      | Cumulative % |
|--------------------------|-----------|--------------|--------------|--------------|
| <b>Not at all</b>        | 2         | 3.0          | 3.0          | 3.0          |
| <b>To a less extent</b>  | 7         | 10.6         | 10.6         | 13.6         |
| <b>Moderate extent</b>   | 20        | 30.3         | 30.3         | 43.9         |
| <b>Great extent</b>      | 34        | 51.5         | 51.5         | 95.5         |
| <b>Very Great extent</b> | 3         | 4.5          | 4.5          | 100.0        |
| <b>Total</b>             | <b>66</b> | <b>100.0</b> | <b>100.0</b> |              |

Table 4.2.3.8 shows that majority of the respondents (51.5%) feel that the organization encourages every one to bring the customers' view into the decision-making.

This probably is a result of BAT's well-articulated policy of customer focus. Scenario planning to meet multiple customer requirements is imbedded in the organisation's day to day running. Surveys are done to measure both internal and external customers' satisfaction.

**Table 4.2.3.9: My organization considers the impact of decision on employee morale**

|                          | Frequency | %            | Valid %      | Cumulative % |
|--------------------------|-----------|--------------|--------------|--------------|
| <b>Not at all</b>        | 5         | 7.6          | 7.7          | 7.7          |
| <b>To a less extent</b>  | 14        | 21.2         | 21.5         | 29.2         |
| <b>Moderate extent</b>   | 29        | 43.9         | 44.6         | 73.8         |
| <b>Great extent</b>      | 15        | 22.7         | 23.1         | 96.9         |
| <b>Very Great extent</b> | 2         | 3.0          | 3.1          | 100.0        |
| <b>Total</b>             | <b>65</b> | <b>98.5</b>  | <b>100.0</b> |              |
| <b>System</b>            | 1         | 1.5          |              |              |
|                          | <b>66</b> | <b>100.0</b> |              |              |

Table 4.2.3.9 shows that, 44.6% are of the view that to a moderate extent, the organization considers the impact of decision on employee morale while 21.5% see it as true to a less extent.

Organisations which do not consider employee morale as important assume that employees will simply follow orders anyway, whether they are happy or not.

BAT carries out regular organisational climate/ employee opinion surveys, and follows up with action planning to enable response to identified opportunities for improvement.

**Table 4.2.4.1: My organization encourages people to get answers from across the organization when solving problems**

|                   | Frequency | %            | Valid %      | Cumulative % |
|-------------------|-----------|--------------|--------------|--------------|
| Not at all        | 2         | 3.0          | 3.0          | 3.0          |
| To a less extent  | 14        | 21.2         | 21.2         | 24.2         |
| Moderate extent   | 23        | 34.8         | 34.8         | 59.1         |
| Great extent      | 22        | 33.3         | 33.3         | 92.4         |
| Very Great extent | 5         | 7.6          | 7.6          | 100.0        |
| <b>Total</b>      | <b>66</b> | <b>100.0</b> | <b>100.0</b> |              |

Table 4.2.4.1 shows that 34.8% of the respondents perceive that to a moderate extent, the organization encourages people to get answers from across the organization when solving problems. 33.3% feel this happens to a great extent.

This favourable response probably reflects BAT's effort in breaking down 'functional silos', and such other mentalities that discourage sharing of information across the organisational boundaries such as 'turfism'.

To this end, Bat has an intranet system, bulletin boards, team briefs all of which ensure that information is shared across the organisation.

**(g) Providing Strategic leadership for learning:**

**Table 4.2.4.2: This organization leaders support request for learning opportunities and training**

|                   | Frequency | %            | Valid %      | Cumulative % |
|-------------------|-----------|--------------|--------------|--------------|
| Not at all        | 3         | 4.5          | 4.6          | 4.6          |
| To a less extent  | 14        | 21.2         | 21.5         | 26.2         |
| Moderate extent   | 17        | 25.8         | 26.2         | 52.3         |
| Great extent      | 26        | 39.4         | 40.0         | 92.3         |
| Very Great extent | 5         | 7.6          | 7.7          | 100.0        |
| <b>Total</b>      | <b>65</b> | <b>98.5</b>  | <b>100.0</b> |              |
| <b>System</b>     | <b>1</b>  | <b>1.5</b>   |              |              |
|                   | <b>66</b> | <b>100.0</b> |              |              |

Table 4.2.4.2 shows that, 40% see to a great extent that leaders support request for learning opportunities and training. A further 26.2% agree to a moderate extent.

Performance Management in BAT allows development planning sessions with team leaders. During the sessions, performance and developmental gaps are identified proposals made for relevant interventions. Job skills are continuously reviewed and updated. Employees are encouraged to take on stretch goals.

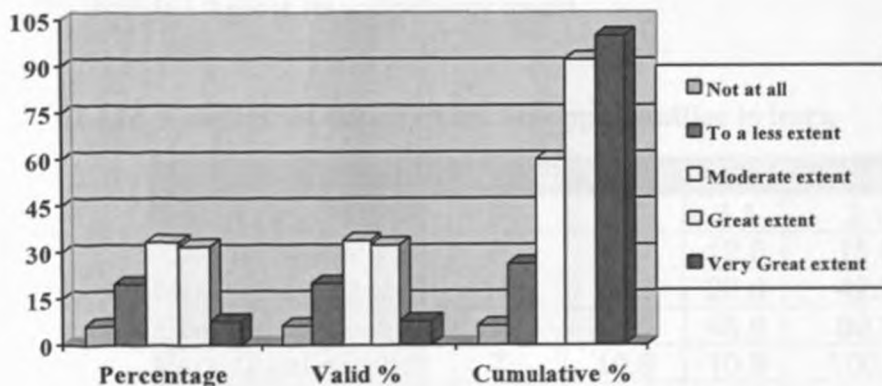
**Table 4.2.4.3: In this organization leaders share up-to date information with employees**

|                   | Frequency | %            | Valid % | Cumulative % |
|-------------------|-----------|--------------|---------|--------------|
| Not at all        | 4         | 6.1          | 6.3     | 6.3          |
| To a less extent  | 11        | 16.7         | 17.2    | 23.4         |
| Moderate extent   | 18        | 27.3         | 28.1    | 51.6         |
| Great extent      | 22        | 33.3         | 34.4    | 85.9         |
| Very Great extent | 9         | 13.6         | 14.1    | 100.0        |
| Total             | 64        | 97.0         | 100.0   |              |
| System            | 2         | 3.0          |         |              |
|                   | <b>66</b> | <b>100.0</b> |         |              |

Table 4.2.4.3 shows that 28% agree that to a moderate extent, this happens. 34% say it's true to a great extent and the rest 17.2% think it's true only to a less extent.

Employees should have information regarding the products, market performance, competition, industry trends etc if they are to make meaningful contribution in the decisions affecting the business. Environmental scanning information should be shared with them.

**Graph 4.2.4.4: Leaders empower others to help carry the organizational vision**



Graph 4.2.4.4 indicates that 32.3% to a great extent agree that others are empowered by leaders to carry the organizational vision. 33.8% believe it's true to a moderate extent.

When employees are not empowered, they tend to confine their actions strictly within the scope described in their jobs. This impedes imagination and enhances distrust. Decisions are centralised and slow. Speed to market is compromised.

Organisations need to empower their employees to make decisions and only seek approval when implications are beyond certain limits. This requires that checks and balances are also present so as not to compromise controls.

**Chart 4.2.4.5: Leaders mentor and coach those they lead**

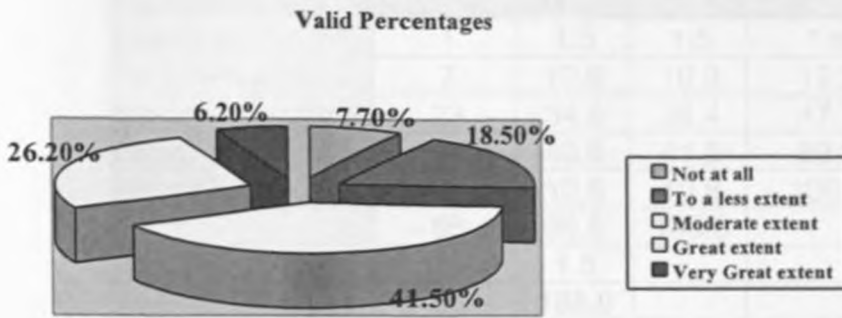


Chart 4.2.4.5 shows that 41.5% of the respondents agree that to a moderate extent leaders mentor and coach those they lead, though 18.5% accept it's true only to a less extent while 26% believe so to a great extent.

Organisations that emphasise direction discipline over development hardly have mentoring programs, or where present, this is restricted to a chosen few. Companies should encourage and reward leaders who use coaching and mentoring strategies. BAT has included these in its competency model.

**Table 4.2.4.6: Leaders continually look for opportunities to learn**

|                          | Frequency | %            | Valid % | Cumulative % |
|--------------------------|-----------|--------------|---------|--------------|
| <b>Not at all</b>        | 2         | 3.0          | 3.1     | 3.1          |
| <b>To a less extent</b>  | 8         | 12.1         | 12.5    | 15.6         |
| <b>Moderate extent</b>   | 17        | 25.8         | 26.6    | 42.2         |
| <b>Great extent</b>      | 30        | 45.5         | 46.9    | 89.1         |
| <b>Very Great extent</b> | 7         | 10.6         | 10.9    | 100.0        |
| <b>Total</b>             | 64        | 97.0         | 100.0   |              |
| <b>System</b>            | 2         | 3.0          |         |              |
|                          | <b>66</b> | <b>100.0</b> |         |              |

Table 4.2.4.6 shows that 46.9% of respondents are of the view that to a great extent, leaders continually look for opportunities to learn. 26.6% believe this happens to a moderate extent.

This high score probably underscores BAT's learning culture. Organisations who score lowly on this may be those who do not see value in continual learning by leaders hence they do not provide them the opportunities. They expect that leaders have all the answers and not knowing is considered failure.

It would be worthwhile to set a minimum time per year for learning. Retreats for leaders, reward and recognition systems for learning could be some of the strategies to develop.



**Table 4.2.4.7: Leaders ensure the organizations actions are consistent with its values**

|                   | Frequency | %            | Valid % | Cumulative % |
|-------------------|-----------|--------------|---------|--------------|
| Not at all        | 1         | 1.5          | 1.5     | 1.5          |
| To a less extent  | 7         | 10.6         | 10.8    | 12.3         |
| Moderate extent   | 23        | 34.8         | 35.4    | 47.7         |
| Great extent      | 27        | 40.9         | 41.5    | 89.2         |
| Very Great extent | 7         | 10.6         | 10.8    | 100.0        |
| Total             | 65        | 98.5         | 100.0   |              |
| System            | 1         | 1.5          |         |              |
|                   | <b>66</b> | <b>100.0</b> |         |              |

Table 4.2.4.7 shows that 41.5% of the respondents feel that leaders ensure the organizations actions are consistent with its values.35.4% agree this is true to a moderate extent.

It is important that leaders do as they say. It is difficult for employees to follow the values of the organisation when leaders themselves act inconsistently to what they articulate.

Organisations should therefore have systems to examine if indeed leaders actions e.g. in promotions, selections etc are consistent with the values and policies established.

**Chart 4.2.4.8: Use of Computer shared drives**

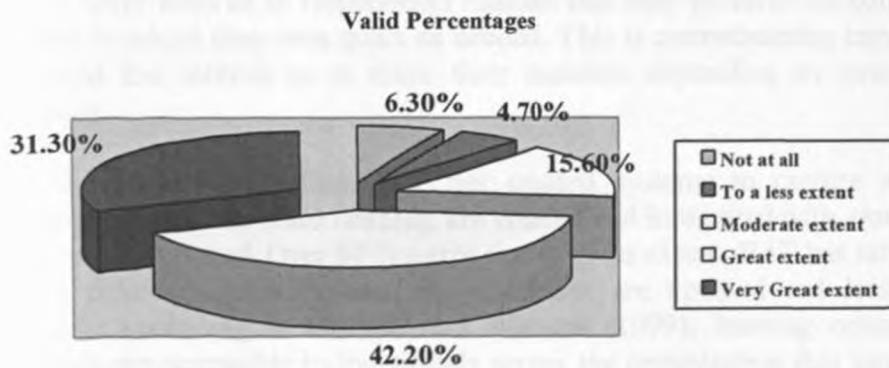


Chart 4.2.4.8 shows that 42.2% of the respondents believe to a great extent that the use of computer shared drives contribute to knowledge management.31.3% believe this is true to a very great extent.

Information to be used by several people is stored in shared drives from where all eligible employees can reach it.

## CHAPTER 5: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

In this chapter, the conclusions from this study are presented. Findings of other studies identified in the literature are also mentioned.

Recommendations are also put forward and areas for further research are identified.

### 3.8 *Summary and Conclusions*

The findings of this study indicate that majority of the employees who participated perceive the company to have embraced some knowledge management practices. Specifically, they believe that there has been promotion of inquiry and dialogue. They believe that the employees gain capacity to listen and inquire into the views of others. The organisational culture allows questioning, feedback and experimentation. This probably explains why 62.4% believe that people openly discuss mistakes in order to learn from them.

Employees also perceive that Team learning and collaboration is encouraged within BAT. This involves designing work so as to allow groups to access different modes for thinking. Groups learn together and work together; collaboration is valued by the culture and rewarded. Over 80% of all respondents indicate that they perceive the company to be letting teams free to adopt their own goals as needed. This is overwhelming implication that teams are allowed the latitude to re think their mandate depending on new circumstances or information.

The study also suggests that BAT has created systems to capture and share learning. Technology systems to share learning are created and integrated with work; access provided; systems are maintained. Over 60 % agree that to great extent, BAT has satisfactorily created a two way communication process, the databases are updated and lessons are availed to employees. According to Marsick and Watkins (1999), learning occurs when ideas and information are accessible to individuals across the organization that can share, discuss and use them, constructing new knowledge in the process. The technology becomes a tool for the organization by capturing the learning that occurs and facilitating sharing it with others. BAT runs a learning centre complete with reference materials, journals and Internet access.

The organisation empowers people toward a collective vision. People are involved in setting, owning, and implementing a joint vision; responsibility is distributed close to decision making so that people are motivated to learn toward what they are held accountable to do.

The organisation connects with its environment. People are helped to see the effect of their work on the entire enterprise; people scan the environment and use information to adjust work practices; the organization is linked to its communities.

From the study, it is apparent the employees perceive that British American tobacco, has by and large managed its knowledge resources both in terms of capturing and storing the same. The various methods of knowledge storage used include use of electronic databases, team brief videotapes and Computer shared drives. Free Internet access, however, scored lowly.

This could be attributed to the fact that at the time of conducting research, Internet access had been restricted.

The employees also perceive that the company has some areas of improvement especially its systems to measure gaps between current and expected performance. The company needs to develop system- level measures of desired performance metrics than link to performance and track changes. This is in harmony with the findings of Miguel (2003).

Other ways to help in harnessing knowledge would be sharing and discussion of ideas at informal gatherings, regular meetings etc. These would help embed transfer of tacit knowledge.

### **3.9 Recommendations**

BAT could improve its Knowledge management practices by making deliberate efforts which would include appointment of a company knowledge Manager whose role would be to build channels of knowledge creation, distribution and storage. This would be the ultimate recognition that Knowledge Management forms a significant basis of the company's competitive advantage.

### **5.3 Suggestions for Future Research**

More research is needed to establish:

1. The employee perception of Knowledge management practices in other multinational companies.
2. The relationship between Knowledge management practices and competitive advantage in other multinational companies.
3. The link and role of Information Technology in Knowledge management and competitive advantage.

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## Section A: Creation of Continuous Learning Opportunities

| Question  | Almost Never |   | Almost Always |   |   |
|---|--------------|---|---------------|---|---|
|   | 1            | 2 | 3             | 4 | 5 |
| 1. In my organization, leaders continually look for opportunities to learn  |              |   |               |   |   |
| 2. In my organisation, proper handing over of vital information occurs during transition  |              |   |               |   |   |
| 3. Change of Top leadership (e.g. Heads of departments and directors) does not lead to any noticeable change in management practices e.g. people leadership focus |              |   |               |   |   |
| 4. The organisation has an updated database of important information  |              |   |               |   |   |
| 5. In this organization, people openly discuss mistakes in order to learn from them   |              |   |               |   |   |
| 6. In my organization, people identify skills they need for future work tasks.  |              |   |               |   |   |
| 7. In my organization, people help each other learn.  |              |   |               |   |   |
| 8. In my organization, people can get money and other resources to support their learning.  |              |   |               |   |   |
| 9. In my organization, people are given time to support learning.   |              |   |               |   |   |
| 10. In my organization, people view problems in their work as an opportunity to learn.  |              |   |               |   |   |
| 11. In my organization, people are rewarded for learning.   |              |   |               |   |   |

**SECTION B: Inquiry and dialogue**

|   | Almost never |   | Almost always |   |   |
|---|--------------|---|---------------|---|---|
|   | 1            | 2 | 3             | 4 | 5 |
| 12. In my organization, people give open and honest feedback to each other.               |              |   |               |   |   |
| 13. In my organization, people listen to others' views before speaking.                   |              |   |               |   |   |
| 14. In my organization, people are encouraged to ask "why" regardless of rank.            |              |   |               |   |   |
| 15. In my organization, whenever people state their view, they also ask what others think |              |   |               |   |   |
| 16. In my organization, people treat each other with respect                              |              |   |               |   |   |
| 17. In my organization, people spend time building trust with each other.                 |              |   |               |   |   |

**C: Collaboration and Team learning**

|   | Almost never |   | Almost always |   |   |
|---|--------------|---|---------------|---|---|
|   | 1            | 2 | 3             | 4 | 5 |
| 18. In my organization, team/groups have the freedom to adapt their goals as needed.                                  |              |   |               |   |   |
| 19. In my organization, teams/groups treat members as equals, regardless of rank, culture, or other differences.      |              |   |               |   |   |
| 20. In my organization, teams/groups focus both on the group's task and on how well the group is working              |              |   |               |   |   |
| 21. In my organization, teams/groups revise their thinking as a result of group discussions or information collected. |              |   |               |   |   |
| 22. In my organization, teams/groups are rewarded for their achievements as a team/group.                             |              |   |               |   |   |
| 23. In my organization, teams/groups are confident that the organization will act on their recommendations.           |              |   |               |   |   |



**D: Systems to capture learning**

|   | Almost never |   | Almost always |   |   |
|---|--------------|---|---------------|---|---|
|   | 1            | 2 | 3             | 4 | 5 |
| 24. My organization uses two-way communication on a regular basis, such as suggestion systems, electronic bulletin boards, or hall/open meetings. |              |   |               |   |   |
| 25. My organization enables people to get needed information at any time quickly and easily.  |              |   |               |   |   |
| 26. My organization maintains an up-to-date database of employee skills.  |              |   |               |   |   |
| 27. My organization creates systems to measure gaps between current and expected performance.   |              |   |               |   |   |
| 28. My organization makes its lessons learning available to all employees.  |              |   |               |   |   |
| 29. My organization measures the result of the time and resources spent on training.  |              |   |               |   |   |

**E: Empowerment of people**

|   | Almost never |   | Almost always |   |   |
|---|--------------|---|---------------|---|---|
|   | 1            | 2 | 3             | 4 | 5 |
| 30. My organization recognizes people for taking initiative                                     |              |   |               |   |   |
| 31. My organization gives people choices in their work assignments.                             |              |   |               |   |   |
| 32. My organization gives people time to contribute to the organization's vision.               |              |   |               |   |   |
| 33. My organization gives people control over the resources they need to accomplish their work. |              |   |               |   |   |
| 34. My organization supports employees who take calculated risks                                |              |   |               |   |   |
| 35. My organization builds alignment of visions across different levels and work groups.        |              |   |               |   |   |

**F: Connect to the organisation**

|  | Almost never |   | Almost always |   |   |
|--|--------------|---|---------------|---|---|
|  | 1            | 2 | 3             | 4 | 5 |
| 36. My organization helps employees balance work and family.   |              |   |               |   |   |
| 37. My organization encourages people to think from a global perspective.                                |              |   |               |   |   |
| 38. My organization encourages everyone to bring the customers' view into the decision making process.   |              |   |               |   |   |
| 39. My organization considers the impact of decisions on employee morale.                                |              |   |               |   |   |
| 40. My organization works together with the outside community to meet mutual needs.                      |              |   |               |   |   |
| 41. My organization encourages people to get answers from across the organization when solving problems. |              |   |               |   |   |

**G: Strategic leadership for learning**

|   | Almost never |   | Almost always |   |   |
|---|--------------|---|---------------|---|---|
|   | 1            | 2 | 3             | 4 | 5 |
| 42. In this Organisation leaders support request for learning opportunities and training  |              |   |               |   |   |
| 43. In this Organisation leaders share up-to date information with employees about competitors, industry trends and organisational directions |              |   |               |   |   |
| 44. Leaders empower others to help carry out the organisation's vision  |              |   |               |   |   |
| 45. Leaders mentor and coach those they lead  |              |   |               |   |   |
| 46. Leaders continually look for opportunities to learn   |              |   |               |   |   |
| 47. Leaders ensure the organisations actions are consistent with its values   |              |   |               |   |   |

**H: To what extent do you believe that the following systems do contribute to knowledge management within BAT.**

|   | 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| 48. Information shared during Team briefs |   |   |   |   |   |
| 49. Use of Company databases              |   |   |   |   |   |
| 50. Post Training course reports          |   |   |   |   |   |
| 51. Free Internet access                  |   |   |   |   |   |
| 52. Employees consultations               |   |   |   |   |   |
| 53. Team meetings minutes                 |   |   |   |   |   |
| 54. Use of Computer shared drives         |   |   |   |   |   |