THE IMPACT OF KNOWLEDGE MANAGEMENT IN THE PERFORMANCE OF COMMERCIAL BANKS IN NIGERIA: A CASE STUDY OF GUARANTY TRUST BANK

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JULY 2012
TITLE

The Impact of Knowledge Management in the Performance of Commercial Banks in Nigeria:
A Case Study of Guaranty Trust Bank

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A Project Presented
In Partial Fulfilment of the Requirement
for the Award of Masters in Business Administration (MBA)
in Management
Department of Management
Faculty of Business Administration
University of Nigeria
Enugu Campus

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July 2012

APPROVAL
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Date
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Samuel-Gadzama Abosede Salimat
PG/MBA/11/60344
DEDICATION

This work is dedicated to God Almighty, the owner and giver of life, without whom, this work wouldn't have seen the light of the day.

ACKNOWLEDGEMENT
The glory for this work goes to the Almighty God, who gave me guidance on the course of this research work and throughout my stay as a student. I am also, indebted to Dr. E.K.Agbaeze, my supervisor, who devoted his time, energy and expertise in developing this work despite his tight schedules.

I will forever remain grateful to Dr. Charity Ezigbo A. The head of Department of Management Studies, Prof. U.J.F. Ewurum, the Dean of the Faculty of Business Administration and all the lecturers, who assisted in one way or the other in the course of my studies.

My special thanks goes to my beloved husband, for his unflinching support in ways this paper cannot contain, my appreciation also, goes to my dear friends and colleagues.

TABLE OF CONTENT

<table>
<thead>
<tr>
<th>TITLE</th>
<th>. . . . . . . . . . .</th>
<th>i</th>
</tr>
</thead>
<tbody>
<tr>
<td>APPROVAL</td>
<td>. . . . . . . . . . .</td>
<td>ii</td>
</tr>
<tr>
<td>CERTIFICATION</td>
<td>. . . . . . . . . . .</td>
<td>iii</td>
</tr>
</tbody>
</table>
DEDICATION ........................................ iv
ACKNOWLEDGEMENT .............................. v
TABLE OF CONTENTS ............................... vi
ABSTRACT ........................................... x

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study ....................... 1
1.2 Statement of the Problem ..................... 5
1.3 Objectives of the Study ....................... 6
1.4 Research Questions ............................ 7
1.5 Significance of the Study ..................... 8
1.6 Scope of the Study ............................ 9
1.7 Definition of Terms ............................ 10

CHAPTER TWO

LITERATURE REVIEW

2.1 Profile of the Case Study ..................... 12
2.2 Understanding the Concept of Knowledge .. 22
2.3 Types of Knowledge .......................... 24
2.4 The Knowledge Challenge . . 32
2.5 Defining Knowledge Management . 35
2.6 Aspects of Knowledge Management . . 37
2.7 Pillars of Knowledge Management . 49
2.8 Measuring Knowledge Management . 49
2.9 History of Knowledge Management . 51
2.10 Generations of Knowledge Management . . . . . 57
2.11 Elements of Knowledge Management . 63
2.12 Knowledge Sharing and Enrichment . 68
2.13 Knowledge Management Tools . . 73
2.14 Implementation of Knowledge Management . . . . . 78

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1. Research Design . . . . . . 80
3.2. Sources of Data . . . . . . 80
3.3. Population of the study . . . . 81
3.4. Determination of Sample Size . . . . 82
3.5. Research Methodology . . . . 84
3.6. Administration of the Questionnaire . . 85
<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.7.</td>
<td>Method of Data Analysis</td>
<td>85</td>
</tr>
<tr>
<td>3.8.</td>
<td>Procedure for Processing and Analysing Data Collected</td>
<td>86</td>
</tr>
<tr>
<td>4.1</td>
<td>Data Presentation</td>
<td>87</td>
</tr>
<tr>
<td>4.2</td>
<td>Response of Respondents</td>
<td>88</td>
</tr>
<tr>
<td>5.1</td>
<td>Summary of Findings</td>
<td>103</td>
</tr>
<tr>
<td>5.2</td>
<td>Conclusion</td>
<td>105</td>
</tr>
<tr>
<td>5.3</td>
<td>Recommendation</td>
<td>106</td>
</tr>
</tbody>
</table>

**CHAPTER FIVE**

**SUMMARY OF FINDINGS, RECOMMENDATION AND CONCLUSION**

5.1. Summary of Findings | 103
5.2. Conclusion | 105
5.3. Recommendation | 106

**BIBLIOGRAPHY** | 
**APPENDIX** | 
ABSTRACT

The impact of Knowledge Management in the performance of commercial banks can be seen as an integrated approach to achieving organizational goals by placing particular focus on "knowledge", now considered as the new factor for production. The transfer of knowledge is, in fact, the essence of knowledge management. This research work looked into the impact of knowledge management in performance of commercial activities of Guaranty Trust Bank Plc, how it harnesses the huge knowledge deposits residing in its tacit environment (the minds of her staff) to create a synergy which in-turn transforms the bank. The main source of data used in this research is both primary and secondary data. Secondary data consisted of data from already published materials such as; text books, journals, the internet, academic dissertations, workshop papers and annual reports. Primary data was collected through the means of questionnaires. This consists of data collected from the field survey. This source of data formed the basis of analysis in this study. The research established the importance of knowledge management practices within Guaranty Trust Bank Plc. It confirmed the support given to knowledge management by the top management of the bank. It also emphasised the benefits of knowledge management practice in the banking industry.
CHAPTER ONE
INTRODUCTION

1.1 BACKGROUND OF STUDY

Knowledge is increasingly being recognized as the new strategic imperative of organizations. The most established paradigm is that knowledge is power. Therefore, one has to hoard it, keep it to oneself to maintain an advantage. The common attitude of most people is to hold on to one's knowledge since it is what makes him or her an asset to the organization. Today, knowledge is still considered power – an enormous power in fact – but the understanding has changed considerably, particularly from the perspective of organizations. The new paradigm is that within the organization knowledge must be shared in order for it to grow. It has been shown that the organization that shares knowledge among its management and staff grows stronger and becomes more competitive. This is the core of knowledge management – the sharing of knowledge.

Most organizations are beginning to realize that their singular most important asset is the intellectual capital of their staff and as such are finding new ways to manage this asset. This is derived from the paradigm that effective business
strategy in today’s business climate can only be achieved by a synergy of knowledge applied to create innovation, whilst reducing cost and increasing productivity. These organizations have also realized that the huge funds invested in Information Technology can only be harnessed when they serve as enablers to creating, capturing, storing, processing and sharing knowledge. Thus the real stock they have is their knowledge. This has given rise to the search for ways to manage knowledge and the eventual emergence of the term Knowledge Management.

The impact of Knowledge Management in the performance of commercial banks can be seen as an integrated approach to achieving organizational goals by placing particular focus on “knowledge”, now considered as the new factor for production. The transfer of knowledge is, in fact, the essence of knowledge management.

Knowledge management can be broadly defined as the identification and management of processes for leveraging the intellectual capital of organizations over time and place. As such, it applies to every job function and process and seeks to capture institutional learning and share best practices for the benefit of the entire firm and its clients.
The impact of Knowledge management in the performance of commercial banks is increasingly an important element of organizational strategy. Organizations, whether they are in the private sector or whether they are in the public sector, must develop strategies for the collection, dissemination, and protection of information required by employees, clients, and external partners if the organizations are to succeed in their missions. Knowledge management involves the management of data in a way that transforms data into useful knowledge (Lim, Ahmed, and Zairi, 2000). Structuring knowledge management into an organization’s strategy assures that knowledge management will be an ongoing, coordinated process within the organization that will benefit the organization, it employees, clients, and external partners over the long-term (Drew, 2001). The key to the implementation of an effective and efficient knowledge management strategy is the integration of knowledge management and information into organisational process.

Knowledge Management supports and coordinates the creation, transfer and application of individual knowledge in value creation processes. This can only be realized in a corporate culture that promotes Knowledge Management and
actively supports the information and documentation processes (i.e. through the systematic application of innovation and quality management tools and methods).

In this research work we look at the impact of knowledge management in performance of commercial activities of Guaranty Trust Bank Plc, how it harnesses the huge knowledge deposits residing in its tacit environment (the minds of her staff) to create a synergy which in-turn transforms the bank to learning bank with Knowledge Workers in various Knowledge Departments within a Knowledge based bank which gave them an advantageous competitive edge Morik, Huppe, and Unterstein, (2002).

1.2 STATEMENT OF THE PROBLEM

This research project presents a business survey on the impact of knowledge management (KM) in the performance of commercials banks in Nigeria, Guaranty Trust Bank is used as a case study. It offers managers and individual decision makers a framework for analysis, and provides a set of tools to evaluate the benefits of knowledge sharing.

Therefore the following problems would be considered in this study:
1. What is the level of awareness and employee attitude towards the impact of knowledge management in performance of commercial activities of Guaranty Trust Bank Plc?

2. What impact is the use of Knowledge Management in recruitment has within the Bank?

3. Is there a specific unit or structural support for knowledge management within Guaranty Trust Bank Plc that measures its impact on the banks commercial activities?

4. What is the top management's attitude towards the impact of knowledge management in the performance of the Banks commercial activities?

These are but a few questions Guaranty Trust Bank Plc must answer in order to strengthen its strategies in a dynamic knowledge-driven business environment.

1.3 OBJECTIVES OF THE STUDY

The main objective of this study is to provide insight into the impact of knowledge management in the performance of commercial activities of Guaranty Trust Bank. The aim is to know the strategies employed by Guaranty Trust Bank Plc in exploiting its knowledge management as a measure of its
performance. This requires the achievement of four specific objectives.

1. What is the level of awareness and employee attitude towards the impact of knowledge management in performance of commercial activities of Guaranty Trust Bank Plc?

2. What impact is the use of Knowledge Management in recruitment has within the Bank?

3. Is there a specific unit or structural support for knowledge management within Guaranty Trust Bank Plc that measures its impact on the banks commercial activities?

4. What is the top management’s attitude towards the impact of knowledge management in the performance of the Banks commercial activities?

1.4 RESEARCH QUESTIONS

1. What is the level of awareness and employee attitude towards the impact of knowledge management in performance of commercial activities of Guaranty Trust Bank Plc?

2. What impact is the use of Knowledge Management in recruitment has within the Bank?
3 Is there a specific unit or structural support for knowledge management within Guaranty Trust Bank Plc that measures its impact on the banks commercial activities?

4 What is the top management’s attitude towards the impact of knowledge management in the performance of the Banks commercial activities?

1.5 SIGNIFICANCE OF THE STUDY

The result of this study will demonstrate the impact of knowledge management in the performance of commercial activities in adopted by Guaranty Trust Bank Plc.

It will also aid scholars who might want to research more on the strategies adopted by Guaranty Trust Bank Plc.

Finally this is a pioneer work in the field of “Knowledge Management” with a focus on the impact of knowledge management in the performance of commercial activities of Guaranty Trust Bank and is a partial requirement for the award of MBA (Business Administration) to the researcher in University of Nigeria, Enugu Campus.

1.6 SCOPE OF THE STUDY
The research project is, however, limited in scope to the assessment of the impact of Knowledge Management in performance of commercial activities in Guaranty Trust Bank Plc. Secondly, it will not discuss other aspects of the bank’s management, like Legal and insurance policies, card and international services, organisational structure and resource allocation, financial position and customer relationship. This therefore narrows this research study only to the impact of knowledge management in performance of commercial activities in Guaranty Trust Bank Plc.

Guaranty Trust Bank Plc was used as a case study; therefore the study may not apply for non-Nigerian commercial banks or other industries, factories or organisations suffice also to mention that same results obtained might not be equally obtained from other Nigerian commercial banks as a measure of their performance.

Thirdly, the data used in the analysis is generated through opinion survey, which can be very subjective
depending on the time and circumstances surrounding the respondent who generated such opinion.

1.7 DEFINITION OF TERMS

- **Competitive Advantage**
  Occurs when an organization acquires or develops an attribute or combination of attributes that allows it to outperform its competitors.

- **Knowledge Creation**
  The generation and making of information readily available for use. It is also the formation of new ideas through interactions between explicit and tacit knowledge in individual human minds.

- **Knowledge Management (KM)**
  Comprises a range of practices used in an organisation to identify, create, represent, distribute and enable adoption of insights and experiences. Such insights and experiences comprise knowledge, either embodied in individuals or embedded in organisational processes or practice.

- **Knowledge Transfer**
The transfer and sharing of information between two people

- **Top Management Attitude**
  This is the disposition of top management to support or oppose the creation, application and transfer of knowledge company-wide.
CHAPTER TWO
LITERATURE REVIEW

2.1 PROFILE OF THE CASE STUDY

It is now agreed that the first banks in the word were probably religious temples of the ancient world which were established sometime during the third millennium BC. Not surprisingly, therefore, the earliest “banking halls” were temples and palaces, which, because they were well built and revered, were the safest places to store gold; and the exact records of banking transactions were carried out by temple priests and monks.

Guaranty Trust Bank Limited was formally licensed on the first of August, 1990, as a privately owned financial institution to engage in commercial banking operations. Although it did not commence operations until the eleventh of February 1991, the history of its birth predates 1990. From the onset, it was decided that every branch of the bank had to be unique, clean, welcoming and aesthetically striking. Every building of the bank must be seen as a reflection of its ethics, culture and values. The structure and the warm business environment conveyed by any Guaranty Trust Bank
branch must ensure that what the customer sees is what he gets!

Also embedded in this philosophy was an informal, transparent and democratic establishment that guaranteed, by the very demystification of the trappings of office, an open-door policy.

2.1.1. Guaranty Trust Bank Background

The bank finally opened its doors for business on Monday, the 11\textsuperscript{th} of February, 1991 at its new, redesigned head-office building christened, \textit{The Plaza}, at 6, Adeyemo Alakija, Victoria Island, Lagos. The Plaza was so unique that it even inspired the materials for the first set of the rather unusual advertisement promotion put out by the new bank. The image area of the early advertisement materials showed various aspects of the architectural plan of the Plaza with the following body-copy: \textit{May we share our plans with you?}

It was in the area of staff training and development that the new management made the most enduring investments. For, if quality of service to its customers was to be the bank’s driving force, it followed that only a solid investment in the training and moulding of skilled hands, could guarantee the
delivery of such quality service. Over time, standard in-house training sessions, seminars and workshops were elevated to the status of full-blown Total Quality Management (TQM) programme. This was a unique achievement. No other indigenous financial institution was known to have applied TQM to its operations prior to Guaranty Trust Bank. Indeed, in 1992, the application of TQM in the management of financial institutions was novel, worldwide.

Although, the origin of the expression Total Quality Management is unclear, in simple terms, it refers to an integrated approach by management to focus all functions and levels of an organisation on quality and continuous improvement. The International Organisation for Standardisation (ISO) defines it as a management approach for an organisation, centred on quality, based on the participation of all its members and aiming at long-term success through customer satisfaction, and benefits to all members of the organisation and society. Over the years, TQM has become important for improving a company’s process capabilities in order to sustain competitive advantages.

Total Quality Management (TQM) focuses on encouraging a continuous flow of incremental improvements
from the bottom of the company’s hierarchy. The main driving force in TQM is always customer satisfaction for a simple reason which is sometimes lost even to the most established of companies. A company that seeks to satisfy its customers by providing them value for what they buy and quality they expect will get more repeat business, referral business and reduced complaints and services expenses.

While the quality awareness training was going on, a Quality Steering Committee (QSC) was formed, which was empowered to set up Quality Improvement Teams (QIT). The main function of the QSC was to ensure that the TQM programme filtered down to all staff by monitoring and keeping track of the challenges confronted by the QITs.

By now, of course, the Bank was beginning to grow, both structurally and from the manpower point of view. For instance, staff strength had gone from 84 at inception to 140, with two-thirds of these staff between the ages of 26-30, each of them infused with a dynamism that literally propelled the company.

To assist with the smooth operations of the growing Bank, new real-time on-line software called SBS which runs on a multi-branch basis was deployed. SBS stood for Standard Banking System, an American Express Bank-developed
banking application. This meant that from day one, any customer of the Bank could conduct business in any of its branches, irrespective of where the customer’s account was domiciled. That was quite an innovation in 1991. No other indigenous Nigerian bank had done anything quite like it at the time.

Undoubtedly, the bank was on course. The second year result of a profit of #52 million would also suggest that the bank’s vision and philosophy were working and paying off. By the 1992/93 year end, Profit Before Tax had gone up to #215 million, a jump of 400 percentage from the previous year. But management also decided to pause for a while and take stock of the progress made so far. The result of a widely conducted Annual Customer Satisfaction Survey at the end of 1992, was revealing, and in certain respects, logical. They revealed, among other things, that for a broad range of customers, the following areas were rated highly-professionalism, that is quality of staff and management, speed of service delivery, and packaging, which included service information, courtesy and statement accuracy. The survey also identified services that customers expected the Bank to offer.
These services included Pensions Funds Management, Asset Trading/Debt Conversion, Capital Issues, Portfolio Management, Bond Guarantees and Indemnities, Safety Deposit Facilities, Insurance and Trustee Services, Commodity Financing, Saturday Banking and opening of new branches. Since most of these services are today integral parts of the Guaranty Trust Bank’s global system, it is safe to assume that this survey played a key role in the growth trajectory of the bank.

Without doubt, in its first five years, Guaranty Trust Bank made giant strides. In retrospect, it is possible today to assert that no other founders or promoters of the so-called “new generation” banks came better prepared to the job that the young “founding fathers” of Guaranty Trust Bank. And by preparation here, is not meant merely the pre-launched and pre-start-up details. Those were important; but it was much more than that; it was the vision, the passion, the commitment, the backgrounds, the trainings, the gustiness and all. That kind of preparation made all the difference. In five short years, the vision of trust and integrity had permeated, in a sector that still harboured a serious crisis of confidence. The first five years may have been bumpy in places for the Bank, but it was, in all,
a good start in a difficult environment. Greater challenges were confronted and surmounted that finally set Guaranty Trust Bank apart from the rest.

As at 1996, 65 of the 115 banks in existence were in various stages of distress, ranging from insolvency to compulsory take over by the Central Bank. Besides, the unprecedented expansion of the financial sector, posed its own problems for the supervisory authorities who appeared severely handicapped and unable to cope with adequate supervision of the institutions.

2.1.2. Guaranty Trust Bank Organisational Structure

By late 2003, the final report of the much awaited strategic restructuring exercise was ready and presented to the board for formal approval. The strategic planning exercise was the result of several months of work and studies, carried out by Restral Consulting, working, in close collaboration with the top management of the Bank. The strategic exercise led, inevitably to the extensive rebranding exercise of the Bank, carried out by Enterprise IG of South Africa, working in close collaboration with SO&U Saatchi and Saatchi and top management of the Bank.
The new structure represented Guaranty Trust Bank’s formal transition from a functional, central-dictated organisation to a multi-divisional and partially decentralised organisation. For instance, under the new arrangement, the marketing team set-up would become a multi-divisional structure that would reflect the six geopolitical zones of the country. Accordingly, each zone would be headed by a divisional head, which would be required to operate with a degree of autonomy over his/her region.

All such divisional Heads would report directly to the managing director. Further down the line, each zone would be made up of three business groups, namely Public Sector (PSG) and Commercial Banking (CBG). Similarly, the support function of the bank would, under the new arrangement, be partially decentralized to ensure adequate support for each of the regions or zones, with each of the three functional groups, that is, Corporate Services, Internal Services and Operations, headed by divisional heads.

2.1.3 Guaranty Trust Bank Products and Services

The Guaranty Bank products and services are as outlined below

a. Guaranty Trust Bank Products
### Business Banking

<table>
<thead>
<tr>
<th>Business Banking</th>
<th>Personal Banking</th>
<th>e-Banking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Account</td>
<td>Current Account</td>
<td>World MasterCard</td>
</tr>
<tr>
<td>Domiciliary Account</td>
<td>Call Account</td>
<td>Platinum Debt MasterCard</td>
</tr>
<tr>
<td>Call Accounts</td>
<td>GTMax Accounts</td>
<td>Standard MasterCard</td>
</tr>
<tr>
<td>Loan Syndication</td>
<td>Domiciliary Account</td>
<td>Debit MasterCard</td>
</tr>
<tr>
<td>Travellers Cheque</td>
<td>GTSave-Saving Account</td>
<td>Naira MasterCard</td>
</tr>
<tr>
<td>Account Aggregation</td>
<td>Smart Kid Save (SKS)</td>
<td>Online Bill Payment</td>
</tr>
<tr>
<td>Bankers Acceptance</td>
<td>e-Account</td>
<td>GT Bank Automated Payment System (GAPS)</td>
</tr>
</tbody>
</table>

### Funds & Portfolio Management

<table>
<thead>
<tr>
<th>Funds &amp; Portfolio Management</th>
<th>Fixed and Tenure Deposits</th>
<th>GTPAY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cheque Writing</td>
<td>GT Auto</td>
<td>Internet</td>
</tr>
<tr>
<td>Money Market Institutions</td>
<td>GT Mortgage</td>
<td>Airline Ticket</td>
</tr>
<tr>
<td>Deposit &amp; Fixed Interest Rates</td>
<td>Max Advance</td>
<td>Visa Debt</td>
</tr>
<tr>
<td>Salary Advance</td>
<td>GT Bank electronic Notification System (GeNS)</td>
<td></td>
</tr>
<tr>
<td>Slip Free</td>
<td>Cards</td>
<td>GT Point of Sale (POS)</td>
</tr>
<tr>
<td>Non-Resident Nigeria</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GTCra8 e-Savers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>School Fees Advance</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Guaranty Trust Bank Services

#### Banking Services

<table>
<thead>
<tr>
<th>Banking Services</th>
<th>e-Banking Services</th>
<th>e-Channels</th>
</tr>
</thead>
<tbody>
<tr>
<td>Western Union</td>
<td>GT-MT-GTBank International</td>
<td>Drive-Thru-</td>
</tr>
<tr>
<td>ATM</td>
<td></td>
<td>Drive-Thru-</td>
</tr>
</tbody>
</table>

#### e-Banking Services

<table>
<thead>
<tr>
<th>Money Transfer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funds in Transit</td>
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<tr>
<td></td>
</tr>
</tbody>
</table>
2.2 UNDERSTANDING THE CONCEPT OF KNOWLEDGE

In order to comprehend knowledge management, it is necessary to first understand the concept of knowledge. What is knowledge? How is it different from information? And how is information different from mere data?

What is data? Data is a number or word or letter without any context. For example, numbers like 5 or 100, without any context, are mere data. Without reference to either space or time, these numbers or data are meaningless points in space and time. The key phrase here is “out of context”. And since it is out of context then it has no meaningful relation to anything else.

A mere collection of data is not information. This means that if there is no relation between the pieces of data, then it is not information. What makes a collection of data information is the understanding of the relationships between the pieces of
data or between the collection of data and other information. In other words, what is essential in making data or a collection of data information is the context, that is, the relation between the pieces of data.

When information is further processed, it has the potential for becoming knowledge. Information is further processed when one finds a pattern relation existing among data and information. And when one is able to realize and understand the patterns and their implications, then this collection of data and information becomes knowledge. But unlike mere information that is context dependent, knowledge has the tendency to create its own context. In other words, the patterns representing knowledge have a tendency to be self-contextualizing. These patterns which represent knowledge have a characteristic of being complete – a feature that mere information does not contain. These patterns are dynamic. They are constantly changing. But when these patterns are fully understood, there is a high level of predictability and reliability as to how the patterns will change or evolve over time.

2.3 TYPES OF KNOWLEDGE
In the modern economy, the knowledge that it is able to harness is the organization’s competitive advantage. This competitive advantage is realized through the full utilization of information and data coupled with the harnessing of people’s skills and ideas as well as their commitments and motivations. In the corporate context, knowledge is the product of organization and systematic reasoning applied to data and information. It is the outcome of learning that provides the organization’s only sustainable competitive advantage. As such knowledge is an essential asset that has become more important than land, labor or capital in today’s economy.

In general, there are two types of knowledge: tacit knowledge and explicit knowledge. Tacit knowledge is that stored in the brain of a person. Explicit knowledge is that contained in documents or other forms of storage other than the human brain. Explicit knowledge may therefore be stored or imbedded in facilities, products, processes, services and systems. Both types of knowledge can be produced as a result of interactions or innovations. They can be the outcome of relationships or alliances. They permeate the daily functioning of organizations and contribute to the attainment of their
objectives. Both tacit and explicit knowledge enable organizations to respond to novel situations and emerging challenges.

**Tacit Knowledge**

Tacit knowledge is personal. It is stored in the heads of people. It is accumulated through study and experience. It is developed through the process of interaction with other people. Tacit knowledge grows through the practice of trial and error and the experience of success and failure.

Tacit knowledge, therefore, is context-specific. It is difficult to formalize, record, or articulate. It includes subjective insights, intuitions and conjectures. As intuitive knowledge, it is difficult to communicate and articulate. Since tacit knowledge is highly individualized, the degree and facility by which it can be shared depends to a great extent on the ability and willingness of the person possessing it to convey it to others.

The sharing of tacit knowledge is a great challenge to many organizations. Tacit knowledge can be shared and communicated through various activities and mechanisms. Activities include conversations, workshops, on-the-job training and the like. Mechanisms include, among others, the use of
information technology tools such as email, groupware, instant messaging and related technologies.

In managing tacit knowledge, the very first hurdle to most organizations is identifying the tacit knowledge that is useful to the organization. Once relevant tacit knowledge is identified, it becomes extremely valuable to the organization possessing it because it is a unique asset that is difficult for other organizations to replicate. This very characteristic of being unique and hard to replicate is what makes tacit knowledge a basis of the organization’s competitive advantage. Accordingly, it is essential for an organization to discover, propagate and utilize the tacit knowledge of its employees in order to optimize the use of its own intellectual capital.

In any organization, tacit knowledge is the essential prerequisite for making good decisions. A new executive not yet familiar with the organization will find it difficult to make good decisions since he or she has yet to acquire tacit knowledge about the workings of the organization. Tacit knowledge is therefore crucial to getting things done and creating value for the organization.

This is the essence of the “learning organization”. Management and employees need to learn and internalize
relevant knowledge through experience and action. And they need to generate new knowledge through personal and group interactions within the organization.

**Explicit Knowledge**

Explicit knowledge is codified. It is stored in documents, databases, websites, emails and the like. It is knowledge that can be readily made available to others and transmitted or shared in the form of systematic and formal languages.

Explicit knowledge comprises anything that can be codified, documented and archived. These include knowledge assets such as reports, memos, business plans, drawings, patents, trademarks, customer lists, methodologies, and the like. They represent an accumulation of the organization’s experience kept in a form that can readily be accessed by interested parties and replicated if desired. In many organizations these knowledge assets are stored with the help of computers and information technology.

Explicit knowledge is not completely separate from tacit knowledge. On the other hand, the two are mutually complementary. Without tacit knowledge it will be difficult, if not impossible, to understand explicit knowledge. For example, a
person without technical, mathematical or scientific knowledge (tacit knowledge) will have great difficulty understanding a highly complex mathematical formulation or chemical process flow diagram, although it may be readily available from the organization’s library or databases (explicit knowledge).

And unless we try to convert tacit knowledge to explicit knowledge, we cannot reflect upon it, study and discuss it, and share it within the organization – since it will remain hidden and inaccessible inside the head of the person that has it.

2.3.1 Interaction Between Types of Knowledge

Personal knowledge can become organizational knowledge through the dynamic interaction between tacit knowledge and explicit knowledge. This dynamic process is the essence of knowledge creation in an organization.

This interaction between the two types of knowledge brings about what is called the four modes of knowledge conversion (Nonaka 1996). The process of knowledge creation is based on a double spiral movement between tacit and explicit knowledge. Figure 2.1 shows the four modes of knowledge conversion: socialization (from individual tacit knowledge to group tacit knowledge), externalization (from tacit
knowledge to explicit knowledge), combination (from separate explicit knowledge to systemic explicit knowledge), and internalization (from explicit knowledge to tacit knowledge).

<table>
<thead>
<tr>
<th>From tacit knowledge</th>
<th>To explicit knowledge</th>
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<tbody>
<tr>
<td>socialization</td>
<td>externalisation</td>
</tr>
<tr>
<td>internalization</td>
<td>combination</td>
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**Figure 2.1 Spiral of Organizational Knowledge Creation**


Socialization is a process of creating common tacit knowledge through shared experiences. In socialization, a field of interaction is built where individuals share experiences and space at the same time. Through this process common unarticulated beliefs and embodied skills are created and developed.

In socialization, the tacit knowledge of one person is shared and transmitted to another person and it becomes part of the other person’s tacit knowledge.

Externalization is a process of articulating tacit knowledge into such explicit knowledge as concepts and/or diagrams. The process often uses metaphors, analogies,
and/or sketches. This mode is triggered by a dialogue intended to create concepts from tacit knowledge. A good example of externalization is the process of creating a new product concept or developing a new production process. Here the tacit knowledge in the brains of experts are articulated and expressed as concepts or drawings, thus becoming explicit knowledge that can be further studied and refined.

Internalization is a process of embodying explicit knowledge into tacit knowledge or an individual’s know-how or operational knowledge. An excellent example of this is “learning by doing or using.” Explicit knowledge that is available as text, sound, or video facilitates the internalization process. The use of operating manuals for various machines or equipment is a quintessential example of explicit knowledge that is used for internalization. The instructions are learned and become part of the person’s tacit knowledge.

2.4 THE KNOWLEDGE CHALLENGE

Knowledge is one of the most important assets of any organization. Unfortunately, very few are able to harness this asset in a meaningful way. Even fewer are organizations that are able to optimize the use of this important asset. In this
context, it is helpful to identify two kinds of knowledge: core knowledge and enabling knowledge. In any organization, certain areas of knowledge are more important than others. The kind of knowledge that is critical to the attainment of the organization’s goal and the fulfilment of its strategy is called “core knowledge”.

Because core knowledge is critical to the organization, the management of core knowledge must be kept within the organization. It must be developed and nurtured inside the organization. Core knowledge alone cannot fully support an organization and make it competitive. There is need for knowledge that can maintain the effectiveness of the organization. Such knowledge is known as “enabling knowledge”. When combined with the core knowledge, such enabling knowledge leads to the development of new products, processes and services. By its very nature, the management of enabling knowledge can be outsourced.

The core and enabling knowledge in organizations are more than a pure competitive advantage. This organizational knowledge makes possible focused and collective action. But as important as organizational knowledge is organizational memory. A great deal of the knowledge of the organization is
created and stored at individual level. They are in the heads of people and groups of people who work in the organization – the employees, managers and top executives.

While much of the organizational knowledge is available as explicit knowledge, a significant portion of core and enabling knowledge remain tacit. The willingness to share this tacit knowledge is influenced to a large extent by the managerial approaches to identify, capture and integrate that knowledge. These approaches include award and punishment systems and organizational procedures for assessment of individual performance. The effective implementation of these approaches can contribute to wider sharing of tacit knowledge within the organization.

This is the knowledge challenge. Organizations contain vast reservoirs of untapped core knowledge and enabling expertise. The problem is that top management usually does not know who has what information. Few top executives are aware of where core and enabling knowledge reside and how to enable this knowledge to flow through the organization. This is the very purpose of knowledge management. Knowledge management addresses this problem directly and pointedly. Thus, the importance of knowledge management!
2.5 DEFINING KNOWLEDGE MANAGEMENT

There is no universally accepted definition of knowledge management. But there are numerous definitions proffered by experts. Put very simply, knowledge management is the conversion of tacit knowledge into explicit knowledge and sharing it within the organization. Putting it more technically and accurately, knowledge management is the process through which organizations generate value from their intellectual and knowledge based assets. Defined in this manner, it becomes apparent that knowledge management is concerned with the process of identifying, acquiring, distributing and maintaining knowledge that is essential to the organization.

<table>
<thead>
<tr>
<th>Table 2.2 What is KM?</th>
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<tr>
<td><strong>Results-oriented definition</strong></td>
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<td><strong>Process-oriented definition</strong></td>
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process by which knowledge is identified, created, gathered, shared and applied.”

| Technology oriented | “Business intelligence + collaboration + search engines + intelligent agents.” |


If one considers knowledge management in the broadest context, then there are multifarious definitions of knowledge management. All these definitions hint at the same idea but each one focuses on a particular aspect of knowledge management (Table 2.2). For example, a results-oriented definition may state that knowledge management is “to have the right knowledge at the right place, at the right time in the right format.” On the other hand, a process-oriented definition may describe knowledge management as “the systematic management of processes by which knowledge is identified, created, gathered, shared and applied.” And a technology-oriented definition may present a formula for knowledge management as “business intelligence + collaboration + search engines + intelligent agents.”
2.6 ASPECTS OF KNOWLEDGE MANAGEMENT

There are two main aspects of knowledge management, namely, information management and people management. Viewed from this perspective, knowledge management is about information, on one hand, and people, on the other.

Most entrepreneurs and managers are familiar with the term information management. This term is associated with the management of knowledge related to objects that are identified and handled by information systems. The practice of information management developed and became widely accepted when executives realized that information was an important corporate resource that could and should be managed to improve the company’s competitiveness. As a consequence of the growth in the practice of information management, the concepts of “information analysis” and “information planning” developed, thus providing additional tools for practitioners.

As academics and theorists continue to reflect on the subject, information management has further developed into knowledge management. Entrepreneurs and managers have become more aware that knowledge – as differentiated from
mere information – is an even more valuable resource of the organization. Consequently, the idea that processes for knowledge management must be developed in a manner similar to the management processes applied to information has gained more and more followers. This trend has resulted in a number of techniques being developed and applied such as “knowledge technology”, which analyzes knowledge sources. By using these techniques, organizations are able to implement “knowledge analysis” and “knowledge planning” – in much the same manner as the application of earlier tools of “information analysis” and “information planning”.

In practice, knowledge management involves, among others, the identification and mapping of intellectual assets within an organization. This basically means identifying who knows what within the company. When viewed from this perspective, knowledge management can be considered as a process of performing an audit of intellectual assets focusing on the organization’s unique resources and their crucial functions. Through this audit process intelligence, value and flexibility are added to the identified intellectual assets. In addition, the intellectual assets are protected from dormancy
thus making possible significant improvements in decision-making processes as well as in services and products.

But knowledge management goes beyond this level of mapping. More substantively, it also involves the creation of knowledge for competitive advantage and the conversion of large amounts of organizational data into readily accessible information. Through knowledge management latent points of congestion that hinders the flow of knowledge towards decision and action can be identified. And with the application of ICT, all the different aspects of knowledge management can function in a seamless and coordinated manner.

In fact it has been shown again and again that when knowledge is managed well, there is significant reduction in the time needed to complete tasks and unnecessary duplication is greatly minimized, if not avoided.

The second aspect of knowledge management is people management. Basically, this involves the management of tacit knowledge that resides inside the heads of people. In actual practice it entails managing the knowledge that exists alongside organizational processes involving a complex set of dynamic skills, know-how and other knowledge-related capabilities. In order to effectively manage the people that
possess the desired tacit knowledge, it is essential to take into consideration their cultural and social values, attitudes and aspirations, and likes and dislikes. If this can be done successfully, it can lead to the creation of new knowledge that otherwise cannot be accomplished by information management alone.

Although the importance of the two aspects of knowledge management is now well-recognized by many organizations, the full potential of knowledge management still remains to be realized. In fact not all organizations with some form of knowledge management systems in place are aware that they have such systems. Most organizations have some kind of system for the management of explicit knowledge, whether simple or complex. However, they may not necessarily call it a knowledge management system. On the other hand, the management of tacit knowledge is not common and the current technology based knowledge management has not developed a fully effective means for the extraction of tacit knowledge. Although tacit knowledge is at the core of organizational knowledge, it is so personal in nature that it is difficult to formalize and communicate.
Both aspects of knowledge management embody two immediate concerns: (a) to make organizational knowledge more productive; and (b) to produce benefits that are significantly greater than those envisioned. Knowledge management offers an excellent opportunity to adopt previously impossible business strategies. For example, it can open the door to the creation of an almost unlimited network that enhances the alliances and relationships with customers and suppliers. In enhancing customer relations, knowledge management makes possible the discovery of new issues and opportunities through the optimum use of knowledge assets such as contract sales and records and customer demographics and data, including customer location and contact names.

It is precisely in this manner that knowledge management can complement and enhance the impact of other initiatives of the organization such as total quality management, business process re-engineering, and organizational learning. It is evident from this discussion that knowledge management initiatives can be applied in a variety of domains to achieve superior results within almost any type of organization. And it is
possible to achieve these results regardless of the level of technological availability or the market sector concerned.

2.7 PILLARS OF KNOWLEDGE MANAGEMENT

In order to more fully define and understand knowledge management, it is useful to consider knowledge management as having four pillars. These pillars are: (a) management and organization; (b) infrastructure; (c) people and culture; and (d) content management systems.

Management and organization

The first and most important pillar of knowledge management is the commitment at the highest levels of management. This commitment is absolutely essential to the success of any knowledge management initiative. Without such commitment, knowledge management initiatives are bound to fail. Sustained efforts to manage knowledge must permeate the entire organization, from the head of the organization down to the rank and file.

It is also essential that managers promote appropriate behaviours among employees by setting the example. The commitment from top management can come in two ways.
Firstly, the managers at the highest levels should serve as role models by sharing and using knowledge themselves. The best way to promote knowledge management and demonstrate its strategic importance is for top management to provide adequate examples of ideal behaviour and communicate clearly with all levels in the organization. Secondly, a structure to support knowledge management should be implemented, including financial, technological and human resources. One way is to create a knowledge management department and designate a Chief Knowledge Officer (CKO). This department should be given the clear responsibility for the promotion and implementation of knowledge management, led by the CKO. Its responsibilities should include the establishment of a knowledge-oriented technology infrastructure as well as helping to collect, categorize or monitor the use of knowledge. It should also be assigned the management of organizational resources such as labour and capital to enable it to pursue its objectives effectively.

The responsibility of the CKO should change once the knowledge management system has been established. At the start, the CKO should be involved in the collection and
categorization of knowledge. But as the system gets more entrenched, the CKO should serve merely as a facilitator behind the scene playing the role of creating awareness, promoting further progress and monitoring improvements. There should be a conscious effort to allow knowledge to be freely created throughout the organization without too much intervention from the CKO or the knowledge management department. Another aspect of the management-organization pillar is the management of the value chain, which is a critical enabler for knowledge management. The concept of value chain arises from the fact that organizations do not exist in isolation. They form links joined together in value chains. In these value chains every organization has customers while at the same time being a customer of other organizations. Every organization has to manage the organizational knowledge relating to its customers and suppliers. Such knowledge is generally referred to as customer knowledge, which must be generated, organized, shared and applied – in other words, managed. The main enabling practice with regard to this type of knowledge is customer relationship management. Effective management requires that a rich relationship with customers should be firmly established. In terms of the knowledge
management process, this means making sure that the preferences of customers and the feedback that they provide are known to all the relevant persons within the organization.

The management of customer relationship has two main objectives: to acquire customers and to keep customers. Advertising and promotion can attract and acquire customers. The decision to buy or not a particular product is based on the customer's perceived value and suitability of the said product.

Once the customer makes a decision to purchase, customer relationship management must aim to keep the customer by conveying the message that the product’s value and suitability is maintained or even enhanced. Today, new.

ICT applications are available to facilitate efforts aimed in this direction and help organizations to improve the ways in which they deal with and keep customers.

**Infrastructure**

All knowledge management systems require a certain level of technology and infrastructure support to be effective. As business processes become increasingly complex, knowledge management can be fully implemented only when appropriate information and communication technologies are
available. An adequate ICT infrastructure is needed in order to better create, organize, share and apply knowledge. In this sense, ICTs are relevant enablers. Knowledge management solutions that manage both explicit and tacit knowledge must be enabled by a basic communications infrastructure. This basic infrastructure may include, among others, a portal, a virtual workplace or an e-mail environment. The need for such an enabler is greater in organizations that are spread out in many different locations (e.g., a transnational corporation with offices or factories in many countries) since there will be need to communicate and collaborate in productive and meaningful ways across considerable physical distances.

In any knowledge management system, three principal technology infrastructures are needed. These are: firstly, the technology infrastructure needed to organize content; secondly, the technology infrastructure needed to search information, once organized; and thirdly, the technology infrastructure needed to locate appropriate expertise.

2.7.1 Content Management Systems

Content management systems include information assets both internal and external and systems that support the
creation and administration of digital information. To ensure the proper functioning of the knowledge management system, programs for managing the content of web sites should be developed and implemented. At the same time, the roles and responsibilities for maintaining and updating content should be clearly delineated. There should also be a way to allow “authors” or “contributors” to provide new content in the form of articles. Content management systems also include some concepts of workflow for target users which define how content is to be routed around the system.

2.8 MEASURING KNOWLEDGE MANAGEMENT

By way of a final note to more fully understand what knowledge management really is, it is useful to briefly consider and discuss the measurement of the results of a knowledge management system. Any such system of measurement must take into consideration the value of knowledge assets and the magnitude of knowledge sharing. Admittedly, such measurement is a difficult task since knowledge is generated by human beings and is both tacit and dynamic. Since the management of knowledge involves the coordination of individuals who create, share, organize and apply knowledge,
measuring this management involves the tracing and documentation of the causal relationships between the application of knowledge and its creation and sharing.

One of the most difficult challenges in measuring the results of knowledge management is the assessment of the real value of knowledge assets, in particular tacit knowledge. Since tacit knowledge is usually time-specific as well as context-specific, the value of individual knowledge and intellectual capital is most difficult to assess. The challenge lies in the fact that tacit knowledge does not always lead directly to a useful application or a marketable product. Often it has only an indirect impact on the organization’s effectiveness through the creation of better approaches or more effective work responses. And since it is difficult to trace the indirect impact of knowledge accurately, top management preoccupied with numbers and clear facts is not always willing to allocate a budget for investment in knowledge management.

In general, the most successful way to measure knowledge sharing is to trace the flow of knowledge among employees. The number of ideas generated in the online system and frequency of access are easy to measure. Similarly, customer satisfaction levels can be measured
through surveys and feedback mechanisms. Although these measurements are simplification of what in reality is happening, they are, nevertheless, valuable proxies that contribute to providing a better understanding of knowledge flows, in particular, and knowledge management, in general.

2.9 HISTORY OF KNOWLEDGE MANAGEMENT

Knowledge management is a relatively new discipline and therefore has a short history. As a conscious discipline, it developed from the various published work of academics and pioneers such as Peter Drucker in the 1970s, Karl-Erik Sveiby in the late 1980s, and Nonaka and Takeuchi in the 1990s. It began when the concept of a “knowledge company” was introduced in published literature.

The 1970s

The early development of knowledge management came as a result of the work of a number of management theorists and practitioners. Among these early works were the papers published by Peter Drucker and Paul Strassman. In these
papers they observed the growing importance of information and explicit knowledge as valuable assets of organizations. The work of Peter Senge, on the other hand, focused on the “learning organization” and emphasized the cultural dimension of managing knowledge. Other management experts and practitioners like Chris Argyris, Christopher Bartlett and Dorothy Leonard-Barton of Harvard Business School contributed significantly to the development of the theory of knowledge management and the growth of its practice by examining in their various works and publications the many facets of managing knowledge. In 1995, Leonard-Barton’s book Wellsprings of Knowledge – Building and Sustaining Sources of Innovation was published by the Harvard Business School. In this book, she documented her case study of Chaparral Steel, a company which had an effective knowledge management strategy in place since the mid-1970s.

The pioneering studies made in the late 1970s by Everett Rogers at Stanford on the diffusion of innovation and by Thomas Allen at MIT on information and technology transfer were largely responsible for the current understanding of how knowledge is produced, used and diffused within organizations. This growing recognition of the importance of organizational
knowledge led to an increasing concern over how to deal with exponential increases in the amount of available knowledge and the complexity of products and processes. It was at this point that the computer technology, which in the first place contributed heavily to the great abundance of information, started to become part of the solution in a variety of ways.

The 1980s

Classical economic theory does not fully recognize the value of knowledge as an organizational asset. However, by the mid-1980s, the importance of knowledge as a competitive asset was already well-recognized, in particular, its expression in professional competence. Nevertheless, most organizations still did not have the strategies and methods for managing knowledge. It was during this period that Peter Drucker coined the term “knowledge worker”. He, together with other foresighted writers like Matsuda and Sveiby, wrote in-depth about the role of knowledge in organization. Thus by the late 1980s, the ideas that they had developed together with the work done in artificial intelligence and expert systems gave rise to such concepts as “knowledge acquisition”, “knowledge engineering” and “knowledge-based systems” and other
computer-based ontologies. These developments gave further impetus to the growth of systems for managing knowledge.

As more thinkers and scholars publish their work, the phrase “knowledge management” formally became part of the lexicon of management. And in order to provide a technological base for managing knowledge, a consortium of U.S. companies started in 1989 the “Initiative for Managing Knowledge Assets”. As a result, numerous knowledge management related articles began appearing in journals like Sloan Management Review, Harvard Business Review, and others. Simultaneously, the first books on organizational learning and knowledge management were published, including Senge’s The Fifth Discipline and Sakaiya’s The Knowledge Value Revolution.

The 1990s

By 1990 a growing number of academics and consultants had started talking about knowledge management as the new business practice. At the same time, a significant number of large management consulting firms had begun in-house knowledge management activities and several well established U.S., European and Japanese firms instituted focused knowledge management programs. And more and more
articles on knowledge management began to appear in an increasing number of business journals. The agenda of many conferences also started to include knowledge management as a main item for discussion. But the introduction of knowledge management did not come until 1991 when Tom Stewart published the article “Brainpower” in Fortune magazine.

This was followed by many more articles in widely read publications, most notably articles written by Nonaka, Stewart, and others. Nevertheless, business executives and professionals did not yet show widespread interest in the subject.

It was only in 1995 when knowledge management in its current form first received significant attention among corporations and organizations.

By the mid-1990s, it became widely recognized that the competitive edge of some of the world’s leading companies was for the most part due to the robust knowledge assets of those companies. With this realization, the management of knowledge suddenly became a mainstream business objective. At the same time, nurturing knowledge assets such as competencies, customer relationships and innovations became a focus of attention of many corporations. And other companies
started emulating the knowledge management practices of the market leaders.

The International Knowledge Management Network (IKMN), which started in Europe in 1989, went online in 1994. It was soon joined by the Knowledge Management Forum, based in the United States. Shortly thereafter, many other KM-related groups and publications started appearing. There was a tremendous increase in the number of knowledge management conferences and seminars as organizations focused on managing explicit and tacit knowledge and leveraging these resources to achieve competitive advantage.

2.10 GENERATIONS OF KNOWLEDGE MANAGEMENT

For many large innovative corporations such as Microsoft and international organizations such as the World Bank, knowledge management has become a standard feature of conducting business. Knowledge management is reflected in the organization's mission statement. There are now also a large number of practitioners in the field of knowledge management and a phenomenal growth in the number of periodicals and magazines with knowledge management in their title. These include publications like Knowledge
Management, Knowledge Management Magazine, Knowledge Management Review and the Journal of Knowledge Management, which all provide valuable and timely information for knowledge managers, including case studies and guidance from various experts.

It is possible to distinguish two generations of knowledge management applications: the first generation when the emphasis was on technology; and the second generation when the emphasis was on people.

2.10.1 First Generation Knowledge Management

Many of the early knowledge management initiatives met with only limited success. As a consequence, questions were asked whether knowledge management was not simply another fad that on paper looked great, but in actual application failed to deliver. In fact, for a while, it looked as if knowledge management was destined to be confined to the “management fad graveyard”.

However, on closer scrutiny, companies realized that it was not the concept of knowledge management that was the problem as such, but rather the way that they had gone about approaching it. Thus at the dawn of the new millennium,
knowledge management mysteriously vanished from the agenda of the top corporations. It is only now that knowledge management has started to reappear. The reasons for this loss of confidence in knowledge management include the following:

- The hype associated with knowledge management was too much with consultants and technology vendors making too much money on the latest management fad.
- Many corporations spent too much financial resources usually on exotic technologies with little or no return on their investments. The fact that the measurement of ROI of knowledge management projects is difficult even for the best planned projects let alone with those that are badly envisioned was greatly overlooked.
- Most published materials on knowledge management were very conceptual and lack practical applications. This led to frustration at the inability to translate the theory into practice. Thus many asked the question: “It all makes so much sense but why is it not working?”

Many companies also suffered from what is called the “Air Flight In-house Magazine Syndrome”. What this means is that the busy executive (with a budget) reads an article on knowledge management while travelling
(perhaps in a magazine provided by the airline) and upon arriving at the office immediately gives orders for the implementation of some sexy knowledge management technology.

This approach is of course likely to result in failure (as did better planned initiatives) for the following reasons:

• Knowledge management was not tied into business processes or ways of working. It was seen as another laborious overhead activity such as completing timesheets – something that might get done at 5 p.m. on the last Friday of the month.

• A lack of incentives – employees quite rightly asked the “What is in it for me?” question. To further complicate matters, their personal objectives probably encouraged individualistic rather than collaborative activity.

• The people who used it most were not the people who want or need to use it – the time factor (as with most communities, how do you encourage the experts to share knowledge when they receive very little new knowledge back?)

• There was not senior executive-level buy-in.
• The focus was on the technology rather than the business and its people. This is reinforced by a McKinsey survey of 40 companies in Europe, Japan and the United States, which showed that many executives think that knowledge management begins and ends with building sophisticated IT systems.

The first generation knowledge management involved mainly the capture of information and experience to make them easily accessible to other users within the organization. Thus knowledge management was primarily about “knowledge capture”. By properly managing this capture of knowledge makes possible the growth of the system into a powerful information asset.

2.10.2 Second Generation Knowledge Management

In the light of the many practical failures of first generation knowledge management techniques and their inability to live up to their promises, theorists began to study and scrutinize more closely the ways by which knowledge is created and shared. As a result there was a dramatic shift in metaphor. Organizations came to be viewed as capable of learning.
Consequently, a link between learning theory and management started to develop and more organic models began to replace hierarchical models of organizational structure. Thus effective organizations were seen as capable of structural changes in response to their environment.

2.11 ELEMENTS OF KNOWLEDGE MANAGEMENT

A complete knowledge management system must contain four elements. These are: (a) knowledge creation and capture, (b) knowledge sharing and enrichment, (c) information storage and retrieval, and (d) knowledge dissemination.

Knowledge Creation and Capture

The first element of knowledge management is knowledge creation and capture. Knowledge is continually being created in any group, corporation or organization since the very interaction among people generates knowledge. One of the primary aims of knowledge management is to capture the knowledge that is produced during such interactions. As a consequence of the highly competitive nature of today’s markets, there is increasing need within corporations and organizations to create new knowledge, generate novel ideas
and concepts, and to capture these knowledge, ideas and concepts.

The very survival of a corporation sometimes depends largely on how much new and advanced knowledge it can generate, capture and utilize in order to produce a more competitive or attractive product or service. For this reason, two factors have become of utmost importance in determining competitiveness – creativity and innovation. These two factors have become not only important, but essential, to the long-term viability of the corporation or organization. Unless an organization is able to create new products, develop more efficient manufacturing processes, or introduce improvements in design or function, it will have great difficulty in competing in fast changing markets.

The process of creating new knowledge is the most difficult to manage. Often creativity and innovation flourish when there is a minimum of intervention from management. Nevertheless, for many organizations there is no option but to find ways and means to manage this process since for some their survival as a viable organization depends on how well they can manage this process. Once new knowledge is
created, it will be necessary to capture it so that it can be utilized.

Knowledge can be captured in various ways. Knowledge from outside the organization can be captured by accessing different sources such as publications, websites, emails and the Internet. Explicit knowledge from within and outside of the organization can be captured in various forms such as printed reports, record of meetings, copies of memos and the like. These documented outputs are generally generated at various stages of operation of the organization. On the other hand, tacit knowledge can be created and captured during discussions and meetings with office colleagues, stakeholders, institutional partners, consultants and experts. Seminars and workshops also provide excellent venues for creating and capturing tacit knowledge that may come from the speakers or the participants.

**Content Management**

A principal component of knowledge creation and capture is content management which involves the creation of an
information database. In general, three essential decisions are involved in the process of populating the information database.

The first decision is on how new information will be created, contributed and published. Information can be contributed in many ways. It can be submitted into the database via a prescribed form or it can be contributed through web page, email, shared public folders and shared network directories. Content management involves making a decision on acceptable means of adding content into the database.

The second decision is on who will have the access or rights to subsequently update or delete information in the database. Users of a database are usually provided multiple paths to facilitate access to information.

On the other hand, contributors to the database should not encounter too many barriers as to discourage them from further contributing useful data or information. For these reasons, the system’s ability to distinguish those who have rightful access from those who have not is an important component of content management.

The third decision is on which information are worthy of inclusion in the database. Information from documents, web
pages and emails are generally not structured in accordance to the requirements of the database.

On the other hand, information that is retrieved from the database is usually structured in a certain way. Content management requires that there be a means to determine which structured information from databases and unstructured information from other sources are to be included in the system.

**Submission and Indexing**

There are many ways by which knowledge or information can be gathered and submitted into the KM system. Information can be collected from existing data storage systems within an organization, for example, from the hard disks of computers belonging to the staff. Information can also be automatically captured as they are created, for example, from structured reports being prepared by the staff. Alternatively, authors can first write the reports and submit them when complete. It is important that the process of submitting information or knowledge be designed in a way that it is as natural as possible.

**2.12 KNOWLEDGE SHARING AND ENRICHMENT**
The second element of knowledge management is knowledge sharing and enrichment. This element is probably the most crucial among the four. It is during the process of sharing that knowledge is usually refined and enriched.

Knowledge can be shared by the organization with its employees (e.g., through memos and instructions) and sharing of knowledge can occur between employees of the organization (e.g., through group discussions and internal meetings) as well as with people outside of the organization (e.g., through attending seminars and workshops).

For example, an employee may share the captured knowledge on cleaner production technologies with other employees or groups who are interested or concerned with the subject matter. As the groups of employees discuss and debate the knowledge and give their own comments and inputs, new insights are formed that add relevance to and enrich the original knowledge that was shared.

**Incentive Schemes**

In order to encourage knowledge sharing, certain incentive schemes will have to be provided. In many cases, a worker may feel threatened to introduce or share knowledge
into a system while another may feel reluctant to actively search out knowledge that others introduce. Many may also find the process of sharing and searching as requiring considerable amount of time and effort. In practice, the fact that knowledge is available does not necessarily mean that others will use it. Nevertheless, the knowledge manager of any organization should create an overall situation in which knowledge is shared and reused spontaneously.

In other words, the principle of knowledge sharing and reuse must permeate through the entire organization. This can be facilitated through the provision of certain incentives, financial or otherwise, to those actively sharing useful knowledge and those frequently reusing knowledge that have been shared.

From a technological point of view, there are many ways of promoting knowledge sharing within the organization. The installation of an application such as Lotus Notes is one example. This should of course be accompanied by the proper training of the staff in the use of this application software. In addition to the provision of the necessary technological infrastructure, management techniques such as an annual personnel performance evaluation that takes into consideration
the staff member’s contribution to knowledge sharing can be of benefit in promoting the sharing and use of knowledge.

**Information Storage and Retrieval**

The third element of knowledge management is information storage and retrieval. The organization should ensure that acquired or shared knowledge is readily accessible to others. This can be done by storing information in a centralized location with sufficient provisions for easy retrieval.

For example, reports, statistical data on economic, social and environmental areas can be stored in databases while official documents, once approved, should be categorized and stored electronically in suitable file systems. The documents and information in databases could then be retrieved through the Internet or the organization’s intranet websites.

There are four main options for storing the information that are captured or shared. These are: (a) file system storage (local and network directories and folders); (b) databases; (c) e-mail; and (d) websites (intranet and external).

In most organizations, the bulk of information is likely to be in relatively unstructured formats. These can be in the form of typical business or office documents such as reports, memos, spreadsheets or emails. These documents normally
contain valuable information but they are not easily searched and found. For a knowledge management system to be effective, it must provide for search engines that can deal with such unstructured information. In most cases, however, some form of information structuring is necessary in order to facilitate subsequent information retrieval and use.

2.12.1 Knowledge Dissemination

The fourth element of knowledge management is knowledge dissemination. Unless knowledge is effectively disseminated, the development impact of knowledge will remain limited. For knowledge dissemination to be effective it will require the transformation of highly individualized tacit knowledge into explicit knowledge that can be more widely shared. In an organization where there is fear of the management or hierarchy, the employees will have a tendency to keep their knowledge to themselves and share it with others only cautiously. In cases such as this, management must take the lead in creating an environment of understanding, cooperation and learning. It should also encourage knowledge sharing, even if the positive results of doing so are not readily apparent.
Such results can best be measured in the long term. Publications, presentations, websites and libraries are the most obvious forms of dissemination of knowledge. Participation in external networks, establishing partnerships with other organizations, and creation of knowledge centres are also effective means to disseminate knowledge. The Asian Development Bank, for example, participates in over 300 networks with professional and other organizations throughout the world, which serve as forums for information exchange and sharing. Through these networks, the Bank is able to disseminate best practices and lessons learned, among many others.

2.13 KNOWLEDGE MANAGEMENT TOOLS

All organizations deal with knowledge in their daily operation. However, only a few have a systematic and formal way of dealing with knowledge. The majority of organizations rely on individuals and ad hoc processes. The consequence of this is that when people leave the organization, they take their knowledge with them resulting in the loss of valuable organizational assets and resources.
There are a number of factors that can motivate an organization to establish a formal and systematic management of knowledge. These include the desire or need to: (a) get a better insight on how the organization works; (b) reduce the time and effort in searching for information and documents; (c) avoid repetition of errors and unnecessary duplication of work; (d) reduce the response time to questions that are asked frequently; and (e) improve the quality and speed of making important decisions.

Various levels of the organization, including administrative, tactical and strategic, can benefit from a systematic and formal knowledge management.

2.13.1 Document Management

Documents are the most common repository of information and knowledge in any organization. Documents are produced for almost everything: a project proposal, a contract or agreement, a technical report, a scientific paper, and others. Because of the great variety of the types and lengths of documents that an organization can produce, the systematic and organized management of these documents can save the organization considerable effort and money. And for many
organizations such an effort to systematize and organize document management is the starting point of knowledge management. However, knowledge management actually involves much more.

Document management has two key functions: first, it provides content; and second, it facilitates content management and access. These two functions have significant positive impacts on the efficiency of the organization. Depending on the nature and size of the organization, the inefficiencies related to document accessibility can cost the enterprise millions of pesos annually as employees waste many hours just looking for the needed information.

Document management has four basic elements: first, it records discussions and emails and archives documents; second, it organizes these electronic documents in a hierarchical or network framework; third, it provides search engines for the retrieval of the desired documents; and fourth, it enhances content security by allocating appropriate levels of access to each document.

2.13.2 Knowledge Map and Skills Management
Knowledge management tools deal not only with documents but, also, with information about living experts who provide advice and share their expertise with colleagues. The system is an efficient way of making the “localization of experts” easy and quick.

### 2.13.3 Information Database and Lessons Learned

In each organization people learn everyday and improve their work constantly based on the experiences gained. Apart from the fact that this is positive for the employee (who is incrementing his knowledge and skills) it is also beneficial for the company as a whole in the sense that individuals perform better, and thus the organization as a whole. However, the organization can also learn on itself by capturing relevant experiences and distributing them through the organization. This ensures that the appropriate persons consult the right knowledge at the right time.

**Collaboration Tool**

Along with document management, collaboration is one of the most important aspects of knowledge management tools. Collaboration resembles a large meeting room in which colleagues work together, even over long distances or at
different times of day. They share opinions, calendars and projects. A collaborative environment enables people to work in secure online workspaces, in which they use e-mail, Internet web browser and desktop applications in order to share knowledge, build closer organizational relationships and streamline work processes. Such an environment also encourages employees to share information in open discussion forums, thereby providing access to tacit knowledge. Moreover, collaboration tools offer better user interface for internal and external users, thus providing the link between the organization and its partners and customers.

2.14 IMPLEMENTATION OF KNOWLEDGE MANAGEMENT

Knowledge management is based on the fundamental concept that one of the most valuable assets of an organization is the experience and expertise that reside in the heads of its officers, managers and employees. In order to derive the maximum benefit from this intellectual capital, ways and means must be devised to manage this knowledge, capture it and share it with others, particularly the co-workers. If executed and
implemented in a proper manner, knowledge management is expected to create a more collaborative environment, cut down on duplication of effort and encourage knowledge sharing. In the process, there will be considerable savings in terms of time and money.

However, in most organizations, employees are reluctant to share their knowledge freely. In fact they feel that their special knowledge is the very reason why they are important to the company and why the company keeps them employed. By keeping the knowledge to themselves, they become valuable to the company resulting in employment security. But such an attitude of hoarding knowledge leads to duplication of work, turf wars, inefficiencies and high costs.

One of the biggest challenges, therefore, to successfully implementing KM is to properly address the cultural change issues. The KM efforts must be focused on this aspect of organizational change and must develop programs to reach out to individuals involved. The programs must include, among others, advocacy, communications, training, policies and procedures, and incentives. They must also include knowledge proficiencies, a comprehensive measurement system, and the creation of an organizational team to lead and support the
knowledge management effort. The leadership of an organization must be combined with a culture based on sharing. From an economic point of view, knowledge management should be considered not as expenditure but as an investment in the efficiency and competitiveness of an organization.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 RESEARCH DESIGN

The focus of this chapter is on the general method of gathering information on the Impact of Knowledge Management in the Performance of Commercial Banks in Nigeria: A Case Study of Guaranty Trust Bank.

The methodology attempts to provide answers to the research questions contained in the questionnaire. The researcher will be able to make recommendations and reach a conclusion based on the results of the data collected and analysed.

3.2 SOURCES OF DATA
The main source of data used in this research is both primary and secondary data. Secondary data consisted of data from already published materials such as; text books, journals, the internet, academic dissertations, workshop papers and annual reports. Primary data was collected through the means of questionnaires. This consists of data collected from the field survey. This study used a survey method. This source of data formed the basis of analysis in this study. The questionnaires were administered with a view to eliminating any misrepresentations of the respondents as well as areas of misunderstanding. The respondents were drawn randomly from active participants involved in knowledge management strategy within and outside Guaranty Trust Bank Plc. These are the employees, customers and management of Guaranty Trust bank Plc comprising of the Customer Service Unit (CSU) and Training unit.

3.3 POPULATION OF THE STUDY

The population of this study is the employees and management members of Guaranty Trust Bank Plc from Customer Service Unit (CSU) and Training Unit. This
population is 171. This information is distributed into the levels of management. Other characteristics of this population such as race, gender, literacy are held constant.

Table 3.1  Distribution of the Population of the Study

<table>
<thead>
<tr>
<th>Population Strata</th>
<th>Number</th>
<th>Percentages (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers</td>
<td>20</td>
<td>11.70</td>
</tr>
<tr>
<td>Management of Guaranty Trust (Customer Service Unit (CSU) and Training unit)</td>
<td>50</td>
<td>29.24</td>
</tr>
<tr>
<td>Employees of Guaranty Trust</td>
<td>101</td>
<td>59.06</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>171</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source Field Survey, 2012

3.4  DETERMINATION OF SAMPLE SIZE

According to Asika (1991: 104-105) “a sample of 100 elements selected from a population of 1000 elements is to all intents and purposes deemed to be representative of the population and a study of the finding can be generalised for the population”. A representative sample was taken since it was formed to be practical and cost effective as well as fast method of getting results.

The researcher used Yaro Yamani (1964:20) formula for finding population size. This formula states that:

\[ n = \frac{N}{N} \]
\[
1 + N \cdot (e)^2
\]

Where;

\(n\) = required sample size

\(N\) = Population of study

\(I\) = Statistical constant

\(e\) = Margin of error at 5%

Therefore,

\[
n = \frac{171}{1 + 171 \times (0.05)^2}
\]

\[
n = \frac{171}{1 + 0.4275}
\]

\[= 120\]

Therefore,

Sample size \((n) = 120\)

In this study, the maximum acceptable margin of error is assured to be 5\% \((0.05)\)

Table 3.2  Proportional Stratification of Sample Size

<table>
<thead>
<tr>
<th>Population strata</th>
<th>Number</th>
<th>Percentages</th>
<th>Proportional stratification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers</td>
<td>20</td>
<td>11.70</td>
<td>11.70% × 120 = 14.04 ≈ 14</td>
</tr>
<tr>
<td>Management of Guaranty Trust Bank (Customer Service Unit (CSU) and Training unit)</td>
<td>50</td>
<td>29.24</td>
<td>29.24% × 120 = 35.09 ≈ 35</td>
</tr>
<tr>
<td>Employees of IBPLC</td>
<td>101</td>
<td>59.06</td>
<td>59.06% × 120 = 70.87 ≈ 71</td>
</tr>
<tr>
<td>Total</td>
<td>171</td>
<td>100</td>
<td>120</td>
</tr>
</tbody>
</table>

Source: Field Survey, 2012

3.5 RESEARCH METHODOLOGY

The survey method adopted for this study. Since survey research focuses on population, it is eminently suitable for the purpose of gathering data. The method is also cost effective since it is a representative of the population which size is prohibitive to research. The majority views of the sample will be used as a basis for population decisions.

The instrument used in collecting data was a structured questionnaire. The questionnaire was organised in sections so as to capture each of the objectives of the study. After that the questionnaire was subjected to the supervisors vetting. These
processes eliminate unwanted, null and invalid value questions in the final questionnaire.

3.6 ADMINISTRATION OF THE QUESTIONNAIRE

The researcher personally administered the questionnaire. This was a deliberate effort to increase the return rate. No attempt was made to send the questionnaire by mail or courier to avoid long delays. This ensures a return rate of 98%-100%. Any areas of controversy or misunderstanding were verbally clarified.

3.7 METHOD OF DATA ANALYSIS

The method of data analysis used in this study consists of percentage frequencies. The questionnaire drafted and used for this research work are in Appendix A of this report.

3.8 PROCEDURE FOR PROCESSING AND ANALYSING DATA COLLECTED

The first stage of the data processing was data reduction by editing, coding and transferring of the responses on to squared drafting sheets with this serving as the basis for the
tabulation that were later made. Proportional or percentage analysis was used in the analysis of the data generated through the questionnaire.

Information gathered from this source lends credence or rather provides basis for the perception of the impact of Knowledge Management in the performance of commercial activities in Guaranty Trust Bank Plc.
CHAPTER FOUR
DATA PRESENTATION AND ANALYSIS

4.1 DATA PRESENTATION

The content of this chapter deals with the presentation of data, the research question and test of hypothesis.

This chapter attempts to clarify the assumption made earlier on the study about the impact of Knowledge Management in the performance of commercial activities in Guaranty Trust Bank.

For this purpose, the chapter attempts to analyse in detail the data collected by testing the formulated hypothesis. Through a careful analysis, the researcher makes an analysis and draws a conclusion. A total of 120 questionnaires were distributed and 120 questionnaires were also returned which represent 100% respond rate. Therefore the results of the analysis were based on the response got from the number of valid questionnaire. The questionnaire distributed cut across the various cadre of workers in the bank, the Strategic Business Unit and customers alike, it gave a good representative of the sample size of the working population.

4.2 RESPONSE OF RESPONDENTS
SECTION A

Question 1: How long have you been a staff of Guaranty Trust bank Plc?

Table 4.1.1

<table>
<thead>
<tr>
<th>Options</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 2 years</td>
<td>40</td>
<td>33.33</td>
</tr>
<tr>
<td>3 years and above</td>
<td>80</td>
<td>66.67</td>
</tr>
<tr>
<td>Total</td>
<td>120</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Survey, 2012

This question aims to ascertain how well the respondents have known Guaranty Trust Bank. It was found that 33% have worked or related with the bank for less than two years while 67% have related with the bank for more than two years.

Question 2: Are you willing to continue with your present banking Organisation?

Table 4.1.2

<table>
<thead>
<tr>
<th>Options</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>108</td>
<td>90</td>
</tr>
<tr>
<td>No</td>
<td>10</td>
<td>8.33</td>
</tr>
</tbody>
</table>
It was found from the above question that which was aimed at determining the loyalty of the respondents that 90% of the respondents are willing to continue working with the bank, while 8% would not wish to continue for best reasons known to them while 2% are undecided.

**Question 3:** Are you prepared to recommend other people to join your industry as employees?

**Table 4.1.3**

<table>
<thead>
<tr>
<th>Options</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>120</td>
<td>100</td>
</tr>
<tr>
<td>No</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Indifferent</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>120</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

**Source:** Field Survey, 2012

All the respondents are willing to recommend Guaranty Trust Bank to people.

**Question 4:** If you find a challenging opportunity outside your organisation, are you prepared to go for it?

**Table 4.1.4**

<table>
<thead>
<tr>
<th>Options</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>2</td>
<td>1.67</td>
</tr>
<tr>
<td>No</td>
<td>115</td>
<td>95.83</td>
</tr>
<tr>
<td>Indifferent</td>
<td>3</td>
<td>2.5</td>
</tr>
</tbody>
</table>
The question was designed to further affirm the loyalty of the respondents and their mindset towards the bank. 96% will not leave the bank for a challenging opportunity, 2% will go while 2% is undecided.

**SECTION B:**

*Question 5:* Can you mention some Knowledge management tools adopted by Guaranty Trust Bank Plc to enhance its commercial performance?

<table>
<thead>
<tr>
<th>Options</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>115</td>
<td>95.83</td>
</tr>
<tr>
<td>No</td>
<td>5</td>
<td>4.17</td>
</tr>
<tr>
<td>Indifferent</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>120</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

**Source: Field Survey, 2012**

96% of the respondents are well acquainted with the KM strategies of the bank while 4% do not know

*Question 6:* Which department handles KM related issues in the bank?

**Source: Field Survey, 2012**

96% of the respondents are well acquainted with the KM strategies of the bank while 4% do not know
<table>
<thead>
<tr>
<th>Options</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specific Department for KM</td>
<td>40</td>
<td>33.33</td>
</tr>
<tr>
<td>All departments</td>
<td>70</td>
<td>58.33</td>
</tr>
<tr>
<td>No idea</td>
<td>10</td>
<td>8.33</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>120</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

**Source: Field Survey, 2012**

About 58% of the respondents are sure all departments handles KM related issues, 8% have no idea while 34% thought specific department handles KM related issues.

**Question 7:** In your opinion is knowledge management the business of the following

<table>
<thead>
<tr>
<th>Options</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specific Officer</td>
<td>20</td>
<td>16.67</td>
</tr>
<tr>
<td>Everybody</td>
<td>70</td>
<td>58.33</td>
</tr>
<tr>
<td>Top Management</td>
<td>30</td>
<td>25</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>120</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>
Source: Field Survey, 2012

From the survey, 17% of the respondents agreed specific officer handles Knowledge Management in the bank, 58% choose everybody and 25% picked Top Management.

**Question 8:** Can you identify in your organisation those employees described as knowledge employees?

**Table 4.1.8**

<table>
<thead>
<tr>
<th>Options</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>100</td>
<td>83.33</td>
</tr>
<tr>
<td>No</td>
<td>15</td>
<td>12.5</td>
</tr>
<tr>
<td>Indifferent</td>
<td>5</td>
<td>4.17</td>
</tr>
<tr>
<td>Total</td>
<td>120</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Survey, 2012

83% can identify, 13% could not identify and 4% were indifferent

**Question 9:** Do the tools for knowledge management in enhancing performance change often?

**Table 4.1.9**

<table>
<thead>
<tr>
<th>Options</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>110</td>
<td>91.67</td>
</tr>
<tr>
<td>No</td>
<td>10</td>
<td>8.33</td>
</tr>
<tr>
<td>Indifferent</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>120</td>
<td>100</td>
</tr>
</tbody>
</table>
Source: Field Survey, 2012

From the questionnaires gathered 92% of the sample population affirmed that the strategies of Knowledge Management change often while 8% disagreed.

**Question 10:** In your own opinion are these tools adequate in knowledge management?

<table>
<thead>
<tr>
<th>Options</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very adequate</td>
<td>105</td>
<td>87.5</td>
</tr>
<tr>
<td>Averagely adequate</td>
<td>15</td>
<td>12.5</td>
</tr>
<tr>
<td>Not adequate</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>120</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Field Survey, 2012

Also 88% of the respondents believed the strategies are adequate while 12% felt it was not adequate.

**Question 11:** Does KM affect or improve process speed and quality service delivery in your organisation?

<table>
<thead>
<tr>
<th>Options</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>115</td>
<td>95.83</td>
</tr>
<tr>
<td>No</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Indifferent</td>
<td>5</td>
<td>4.17</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>120</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>
Source: Field Survey, 2012

96% agreed knowledge management improve speed, no respondent disagreed while 4% were indifferent.

**Question 12:** Are the knowledge management tools adopted a selling point for the products of the bank?

Table 4.1.12

<table>
<thead>
<tr>
<th>Option</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>100</td>
<td>83.33</td>
</tr>
<tr>
<td>No</td>
<td>8</td>
<td>6.67</td>
</tr>
<tr>
<td>Indifferent</td>
<td>12</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>120</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Field Survey, 2012

The question was aimed at determining if the bank harnesses knowledge management to sell or market its products. 83% agreed that the bank does, 7% did not agree while 10% were undecided if it does or not.

SECTION 3

**Question 13:** Is Guaranty Trust bank making use of knowledge management tools in its recruitment process?

Table 4.1.13

<table>
<thead>
<tr>
<th>Options</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
This question was aimed at determining the extent the management of the bank makes use of Knowledge Management practices within the bank. From the questionnaire collected 93% affirmed that the bank employs KM in recruitment process while 7% are not aware if they do or not.

**Question 14: Are these processes sustained for a long time?**

<table>
<thead>
<tr>
<th>Options</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>102</td>
<td>85</td>
</tr>
<tr>
<td>No</td>
<td>5</td>
<td>4.17</td>
</tr>
<tr>
<td>Indifferent</td>
<td>12</td>
<td>10</td>
</tr>
<tr>
<td>Total</td>
<td>120</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Survey, 2012

To establish the stability of the use of knowledge management in recruitment.
85% believed the practice is stable and sustained for a long time, 5% disagreed while 10% can’t say

**Question 15:** Do you think the use of knowledge management tools for recruitment within the bank is beneficial to the bank and should be encouraged?

**Table 4.1.15**

<table>
<thead>
<tr>
<th>Options</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>70</td>
<td>58.33</td>
</tr>
<tr>
<td>No</td>
<td>40</td>
<td>33.33</td>
</tr>
<tr>
<td>Indifferent</td>
<td>10</td>
<td>8.33</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>120</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

**Source:** Field Survey, 2012

This question was aimed at identifying the employees’ view of the use of knowledge management in recruitment process.

59% agreed knowledge management should be encouraged, 33% did not agree while 8% were undecided.

**SECTION 4:**

**Question 16:** Are there specific structures or units created to support KM tools?

<table>
<thead>
<tr>
<th>Options</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>115</td>
<td>95.83</td>
</tr>
</tbody>
</table>
Table 4.1.16

<table>
<thead>
<tr>
<th>Options</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>5</td>
<td>4.17</td>
</tr>
<tr>
<td>Indifferent</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>120</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Survey, 2012

96% ticked Yes while 4% ticked No

**Question 17:** Does your organisation have managers in charge of KM

Table 4.1.17

<table>
<thead>
<tr>
<th>Options</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>102</td>
<td>85</td>
</tr>
<tr>
<td>No</td>
<td>12</td>
<td>10</td>
</tr>
<tr>
<td>Indifferent</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td>120</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Survey, 2012
This question seeks to establish management’s involvement in knowledge management issues. 85% agreed there are managers in charge, 10% did not agree while 5% were undecided.

**Question 18:** Are the structures effective in enhancing commercial activities performance of Knowledge Management tools?

<table>
<thead>
<tr>
<th>Options</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>110</td>
<td>91.67</td>
</tr>
<tr>
<td>No</td>
<td>10</td>
<td>8.3</td>
</tr>
<tr>
<td>Indifferent</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>120</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Field Survey, 2012

92% agreed the structures were effective while 8% did not agree.

**Question 19:** Are the structures for KM stable and formal?

<table>
<thead>
<tr>
<th>Options</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>110</td>
<td>91.67</td>
</tr>
<tr>
<td>No</td>
<td>10</td>
<td>8.33</td>
</tr>
<tr>
<td>Indifferent</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>120</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>
Source: Field Survey, 2012

92% ticked Yes while 8% ticked No.

SECTION 5:

*Question 20:* Is your management concerned about KM tools?

<table>
<thead>
<tr>
<th>Options</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>100</td>
<td>83.33</td>
</tr>
<tr>
<td>No</td>
<td>7</td>
<td>5.83</td>
</tr>
<tr>
<td>Indifferent</td>
<td>13</td>
<td>10.83</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>120</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Field Survey, 2012

83% affirmed that management is concerned, 6% believed management is not concerned while 11% cannot say.

*Question 21:* Are there policies supporting Knowledge Management in your bank?

<table>
<thead>
<tr>
<th>Options</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>105</td>
<td>87.5</td>
</tr>
<tr>
<td>No</td>
<td>10</td>
<td>8.33</td>
</tr>
<tr>
<td>Indifferent</td>
<td>5</td>
<td>4.17</td>
</tr>
</tbody>
</table>
This policy was aimed at determining if the management of the bank actually supported those structures with appropriate policies. 88% agreed, 8% disagreed while 4% were undecided.

**Question 22:** Are there events; Seminars, Workshops, Trainings, Conferences etc organised or set in place to improve knowledge management?

<table>
<thead>
<tr>
<th>Options</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>100</td>
<td>83.33</td>
</tr>
<tr>
<td>No</td>
<td>10</td>
<td>8.33</td>
</tr>
<tr>
<td>Indifferent</td>
<td>10</td>
<td>8.33</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>120</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

The question seeks to know if the employees are constantly trained to handle knowledge management issues as
they arise. 84% agree employees are trained, 8% disagreed while 8% could not make up their mind

*Question 23:* Does your management approve easily the projects and budgets for KM?

<table>
<thead>
<tr>
<th>Options</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>100</td>
<td>83.33</td>
</tr>
<tr>
<td>No</td>
<td>15</td>
<td>12.5</td>
</tr>
<tr>
<td>Indifferent</td>
<td>5</td>
<td>4.17</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>120</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Field Survey, 2012

*Question 24:* Does your top management demonstrate concern for the practice of KM?

<table>
<thead>
<tr>
<th>Options</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>105</td>
<td>87.5</td>
</tr>
<tr>
<td>No</td>
<td>10</td>
<td>8.33</td>
</tr>
<tr>
<td>Indifferent</td>
<td>5</td>
<td>4.17</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>120</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Field Survey, 2012

88% ticked Yes while 8% ticked No. 4% were indifferent.
CHAPTER FIVE
SUMMARY OF FINDINGS, RECOMMENDATION AND
CONCLUSION

5.1 SUMMARY OF FINDINGS

A return rate of 100% was recorded after collecting back the questionnaires from the respondents; this is desirable for the research project. The returned question was collated, vetted and analysed. A detailed analysis of the response of the respondents was presented in the previous chapter, from which the following summary was derived in response to the statement of the research question presented in chapter one. The basis and criteria for the deduced conclusion was based on the frequency of response as pertains to each question in the questionnaire.

The research findings of this study have been summarized below:

- The results of this research show that there is a high level of awareness and employee participation in knowledge management practices within the bank. Employees of Guaranty Trust bank are constantly trained through; workshops, seminars, conferences etc on better
ways to harness the benefits of knowledge management practice.

- There is majority opinion that knowledge management practises are employed in recruitment processes within the bank. Records are kept safely, securely and confidentially about the bank’s staff and potential staffs. These records are kept throughout the various stages of recruitment from invitation for application through the interview and final stages of the recruitment process.

- More than 80% of the respondents agreed that there are specific units designated with the responsibility of managing knowledge management practices within the bank, like the Customer Care Unit, Human Resources etc. They also agreed that each and various units within Guaranty Trust bank makes use of and employ knowledge management practices in their everyday business.

- In the same line, more than 90% of the respondents affirmed that the top management class of the bank are supportive of knowledge management practice within the bank. The insistence and use of information technology in
every aspect of the bank’s business lends support to this response.

- About 92% of the respondents agreed knowledge management helps organizations faced with the problem of having to continuously improve in the area of creating innovative products and service that would meet the constantly evolving needs and wants of their customers to offer better services.

- The impact of knowledge management has a positive effect on the performance of commercial activities of Guaranty Trust Bank.

5.2 CONCLUSION

This research work studied the Impact of Knowledge management in the Performance of Commercial activities adopted by Guaranty Trust Bank Plc. This report established the importance of knowledge management practices within Guaranty Trust Bank Plc. It confirmed the support given to knowledge management by the top management of the bank. It also emphasised the benefits of knowledge management practice in the banking industry.

5.3 RECOMMENDATION
The researcher having critically assessed Knowledge management tools or indexes adopted by Guaranty Trust Bank Plc in enhancing the performance of its commercial activities has come to see that the practice of knowledge management is very imperative in the banking industry. It benefits cannot be relegated if the overall organisational performance is put in perspective.

Based on the foregoing, the following recommendations are given:

- Every Nigerian bank should endeavour to incorporate and enthrone knowledge management practice in their operation. This is because it reduces mistakes, makes for clearer transactions, and creates for a rich source of information and information handling.

- The bank’s employees should constantly be trained and enlightened on better ways to harness and organise data and information. The training will also make them competent in handling knowledge management issues. Any mistake made in knowledge management practice can compromise the services of the bank. The input of employees in handling and
monitoring of knowledge management should not be discouraged.

- The top management of the bank should create enabling structures and supports that are stable and will encourage knowledge management practice.
- The role and benefits of knowledge management in recruitment processes should be appreciated and encouraged.
- Knowledge Management tools or indexes can be used as performance rating benchmarks in accessing the activities of commercial banks in Nigeria.

REFERENCES


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APPENDIX A-RESEARCH QUESTIONNAIRE

Department of Management  
Faculty of Business Administration  
University of Nigeria  
Enugu Campus  

Dear Respondent  

RESEARCH QUESTIONNAIRE  

I am an MBA (Business Administration) research student from University of Nigeria, Enugu Campus, carrying out a project research on “The Impact of Knowledge Management in the Performance of Commercial Banks in Nigeria: A Case Study of Guaranty Trust Bank”  

You are expected to answer the questions presented in this questionnaire as it applies to you by ticking the appropriate box next to each question. Do not write your name.  

You should be well assured that the confidentiality of your responses in this questionnaire is secured and your responses used for academic purpose only  

Regards,  

Abosede Samuel-Gadzama S.
QUESTIONNAIRE

Please note that KM = Knowledge Management  
(Kindly tick [✓] in the box)

SECTION 1: INTRODUCTION

1. How long have you been a staff of Guaranty Trust bank Plc?
   a) Less than 2 years [   ]
   b) 3 - 5years [   ]
   c) Above 5years [   ]

2. Are you willing to continue with your present banking Organisation?
   a) Yes [   ]
   b) No [   ]
   c) Not sure [   ]

3. Are you prepared to recommend other people to join Guaranty Trust Bank as employees?
   a) Yes [   ]
   b) No [   ]
   c) Indifferent [   ]

4. If you find a challenging opportunity outside your organisation, are you prepared to go for it?
   a) Yes [   ]
   b) No [   ]
   c) Indifferent [   ]

Section 2: Level Of Awareness Of The Impact Of Knowledge Management On Performance And Employee Involvement
5. Can you mention some Knowledge management tools adopted by Guaranty Trust Bank Plc to enhance its commercial performance?
   a) Yes [ ]
   b) No [ ]
   c) Indifferent [ ]

6. Which departments handles KM related issues in the bank
   a) Specific Department for KM [ ]
   b) All departments handle KM [ ]
   c) Have no idea at all [ ]

7. In your opinion is knowledge management the business of the following;
   a) Specific officer [ ]
   b) Everybody [ ]
   c) Top Management [ ]

8. Can you identify in your organisation those employees described as knowledge employees?
   a) Yes [ ]
   b) No [ ]
   c) Indifferent [ ]

9. Do the tools for knowledge management in enhancing performance change often?
   a) Yes [ ]
   b) No [ ]
   c) Indifferent [ ]

10. In your own opinion are these tools adequate in knowledge management?
    a) Very adequate [ ]
    b) Averagely adequate [ ]
    c) Not adequate [ ]
11. Does KM affect/improve process speed and quality service delivery in your organisation?
   a) Yes [ ]
   b) No [ ]
   c) Indifferent [ ]

12. Are the knowledge management tools adopted a selling point for the products of the bank?
   a) Yes [ ]
   b) No [ ]
   c) Indifferent [ ]
Section 3: use of knowledge management in recruitment within the bank?

13. Is Guaranty Trust bank making use of knowledge management tools in its recruitment process?
   a) Yes [ ]
   b) No [ ]
   c) Indifferent [ ]

14. Are these processes sustained for a long time?
   a) Yes [ ]
   b) No [ ]
   c) Indifferent [ ]

15. Do you think the use of knowledge management tools for recruitment within the bank is beneficial to the bank and should be encouraged?
   a) Yes [ ]
   b) No [ ]
   c) Indifferent [ ]
Section 4: Structural Support For Knowledge Management

16. Are there specific structures or units created to support KM tools?

   a) Yes [   ]
   b) No [   ]
   c) Indifferent [   ]

17. Does your organisation have managers in charge of KM

   a) Yes [   ]
   b) No [   ]
   c) Indifferent [   ]

18. Are the structures effective in enhancing commercial activities performance of Knowledge Management tools?

   a) Yes [   ]
   b) No [   ]
   c) Indifferent [   ]

19. Are the structures for KM stable and formal?

   a) Yes [   ]
   b) No [   ]
   c) Indifferent [   ]
Section 5: Top Management Attitude In Knowledge Management Tools

20. Is your management concerned about KM tools?
   a) Yes [   ]
   b) No [   ]
   c) Indifferent [   ]

21. Are there policies supporting Knowledge Management in your bank?
   a) Yes [   ]
   b) No [   ]
   c) Indifferent [   ]

22. Are there events; Seminars, Workshops, Trainings, conferences etc organised or set in place to improve knowledge management?
   a) Yes [   ]
   b) No [   ]
   c) Indifferent [   ]

23. Does your management approve easily the projects and budgets for KM?
   a) Yes [   ]
   b) No [   ]
   c) Indifferent [   ]

24. Does your top management demonstrate concern for the practice of KM?
   a) Yes [   ]
   b) No [   ]
   c) Indifferent [   ]

END AND THANK YOU