

Knowledge Management as a Strategy for Competitive Advantage in Industrial Production: A Case of Rift Valley Textiles Industries (Rivatex), Eldoret

Mangira Roselyne
rtmangira@gmail.com

Mangira Solomon
mangira@mu.ac.ke

Chemwaina Silahs
chemwaina@gmail.com

Abstract

Business information and knowledge is continuously being created. This in turn requires organizations to continually update their information and knowledge as well as making contributions to the existing knowledge. They require current information and knowledge due to changing dynamics in market driven by connectivity, technology, industry, convergence and consumers' activism and involvement. Although organizational learning has been instituted in both public and private sectors, the extend of its application is unclear. The study therefore sought to establish the effects of organizational learning and knowledge management for competitive and effective productivity. The study was guided by the theory of connectivism developed by Siemens in 2005 and aimed to identify the use of culture of learning in the organization, to establish how business competitive and effective productivity can be realized through organizational learning, to examine the types of organizational learning practices used in the implementing competitive and effective productivity process and to establish the various challenges faced by managers and employees in implementing learning process. The study adopted a case study design and was undertaken in Rift Valley Textiles Industries; Eldoret. The study adopted simple random sampling and stratified sampling techniques. A sample of 150 respondents was selected. The nature of data involved was both qualitative and quantitative data. Data was collected through the use of structured questionnaires and interviews. It was established that at the organization, learning was eminent due to learning practices and processes, that competitive advantage and effective productivity had been achieved through leaning and management of knowledge, it also established that the company faces challenges in the institutionalizing of learning. The study recommends that the company should institutionalize learning strategies, promote participative management provide incentives, promote use ICT in learning and promote performance coaching and management support.

Keywords: Knowledge, Management, Organization, Learning, Strategy, Culture

Introduction

The global and competitive market environments have led to new challenges for both organizations and individuals in them (Garvin, 2000). These are, among others, the internationalization of the economy, the changing workforce demography, the density and wider use of information technology and the continuous and rapid scientific and technological change.

The term learning organization refers to an organization that constantly monitors its environments for change and learns from and adapts to these changes. Senge (1990) defines learning organization as dynamical systems that are in a state of continuous adaptation and improvement. They build feedback loops designed to maximize the effectiveness of the learning process.

According to Dixon (1994), a learning organization is skilled at creating, acquiring and transferring knowledge and modifying the behaviour to reflect new insights. Organizational learning is becoming more important in the modern business world where things change rapidly and information gets transmitted almost instantaneously. In such an environment only the truly flexible and adaptive companies will excel. According to Senge (1990), companies should be a place where people continually expand their capacities to get the results they truly desire, where new and expansive patterns of thinking are nurtured and people learning to the maximum. Learning organizations are not simply the most fashionable in the current management trend. They can provide work environment that are open to creative thought and embrace the concept that solutions to on-going work-related problems are available for everyone's use.

According to Daveport (1998), distinctive capabilities in practice is based on innovation which rests on the capacity of organizations to create organizational knowledge to respond flexibly to changing environment and to achieve easy and open exchange of information. Prusak (1997) holds that reputation in knowledge strategy due globalization of the economy is putting terrific pressure on firms for increased adaptability, innovation and process speed.

The crux of the matter here is largely to offer an alternative to the organizations standard conception from economic as well as managerial point of views, with the aim of stressing the major facts typifying our society's evolution. The importance of innovation processes and the role played by institutions of higher learning if need be, by other organizations in such processes. During the time, economic, social and technological changes were transforming the way companies worked. Globalization

emerged and brought new opportunities and increased competition. Companies responded by downsizing, merging, acquiring, reengineering and outsourcing. Many streamlined their workforce and boosted their productivity and their profits by using advanced in computer and network technology as they grew smaller or bigger. They no longer 'knew what they knew' (Prusak, 1996).

Malhorta (1998) further observes that by the early 1990s, a growing body of academics and consultants were talking about knowledge management as the new business practice, and it began to appear in more and more business journals and on conference agendas. By the mid-1990s, it became widely acknowledged that the competitive advantages of some of the world's leading companies were being carved out from those companies' knowledge assets such as core competencies, customer relationships and innovations. Managing knowledge, therefore, suddenly became a mainstream business objective as other companies sought to follow the market leaders. Thinking of academics and pioneers such as Peter Drucker in the 1970s, Karl-Erik Sveiby in the later 1980s, and Nonaka and Takeuchi in the 1990s.

Fundamentally, knowledge management is about applying the collective knowledge of the entire workforce to achieve specific organizational goals. The aim of knowledge management is not necessary to manage all knowledge, but just the knowledge that is most important to the organization. It is about ensuring that people have the knowledge they need, where they need it and when they need it, the right knowledge, in the right place, at the right time.

Kerka (1995) notes that as we enter the 21st century, we are moving into a new phase of economic and social development, which can be usefully be referred to as a 'knowledge economy', in which knowledge will be a key determining factor in organizational and economic success or failure. Knowledge is derived from information but it is richer and more meaningful than information. It includes familiarity, awareness and understanding gained through experience or study, and results from making comparisons, identifying consequences, and making connections (Davenport, 1998). Some experts include wisdom and insight in their definitions of knowledge. Technology adds value when it reduces cost, time and effort needed for people to share knowledge and information. However, if it is not closely aligned with organizational needs and with people's way of working, or if it results in information overload and people can no longer make sense of it all, it becomes a hindrance. The importance of this cannot be overemphasized.

Business practice is information and knowledge intensive. It depends critically on sharing and exchange of information and knowledge. Entrepreneurs require current information and knowledge to be able to face daily challenges resulting from the rapid developments occurring in the liberalized market provision.

The rapid changes in the field of business also imply a knowledge or 'tsunami' requiring businessmen to continually up-date their knowledge as well as contribute to the existing knowledge. Due to nature of their work, entrepreneurs are busy people with little time left for research to experience and acquire new knowledge. What they know depends on whom they know and share information and best practices with. People absorb more knowledge when the bond is with someone they know and respect. One is more likely to share knowledge with those they share relationships. This calls for enhanced collaborations and knowledge sharing amongst them. Due to globalization and distributed working, there is need to harness tacit knowledge of the entrepreneurs because of the challenges of staff turnover (brain drain), natural attrition and competition so that in case of these eventualities, the knowledge of the staff is not lost.

The dynamic clients needs for increased efficiency and effectiveness in the of quality customer services necessitates the attempts for responses from the stakeholders. The turbulent and ever changing business environment has presented a lot of challenges to the management of organizations. They range from increasing global competition for business market pricing, decreasing government funding, brain drain, limited access and use of information communication technology (ICT), inadequate and poorly maintained infrastructure, rigid administrative structures and HIV/AIDS among others.

These powerful forces are associated with advancing technology, international economic integration, the maturing of domestic markets, and the shift to capitalism in formerly communist regions which have brought about a globalized economy that impacts on every business, creating more opportunities and threats. These challenges have implied a lot to the improved productivity management processes.

Arising from the synthesis of literature available, therefore, this study sought to establish how the private sector in this case Rift valley Textiles Industries is achieving market competitive advantage and effective productivity process with specific reference on how the organization is learning and informing the improvement implementation process.

Organization changes of transformation programmes are business led. They focus on what needs to be done to ensure that organization performs more effectively in adding value to its customers and owners changes. Is that unless something is done about, organization typically follow a life cycle pattern of growth, maturity and decline.

Many organizations are now undergoing some structural change to cope with globalization. As a consequence, network enterprises have emerged made up of several organizations of different sizes working together. These teams may find themselves operating in different a location, which means that they will need to share knowledge asynchronously between and among the different locations.

Literature Review

Organizational learning is concerned with the development of new knowledge or insights that have the potential to influence behavior, Leadbeater (1995). Marsick (1994) defines organizational as a process of coordinated system change, with mechanism built in for individuals and groups to access build and use organizational memory, structure and culture to develop long term organizational capacity. Maira and Scott-Morgan (1990) refer broadly to an organization’s acquisition of understanding, know-how, techniques and practices of any kind and by any means.

Skyrme (2001) emphasizes that organizational learning is not simply the sum of the learning of individuals and groups across organization, she further comments that without effective processes and system linking individual and organizational learning. The one has no necessary counterpart with the other.

The philosophy underpinning the learning organization concept, as expressed by Mullin (1996), is that learning is an essential ingredient if organizations are to survive that learning at operational, policy and strategic levels need to be conscious, continuous and integrated, and that management is responsible for creating an emotional climate in which all staff is learning continuously.

According to Senge (1990), learning organization is one where people continually expand their capacity to create results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning how to learn together. Kerka (1995) refer to learning organization as one that continually improves by rapidly crating and refining the capabilities required for future success.

Skyrme (2001) defines learning organizations as one which is skilled at creating, acquiring and transferring knowledge and at modifying its behavior to reflect new knowledge and insights. He also believes that learning organization ensure that they learn from experience, develop continuous improvement programmes, use systematic problem solving techniques, and transfer knowledge quickly and efficiently throughout the organization by means of formal training programmes linked to implementations.

Burgoyne (1994) points out that learning organizations have to be able to adapt to their context and develop their people to match the context. Many individual’s jobs could be learnt by processes of ‘natural discovery’ rather than “formula learning.”

Methods and Materials

The research adopted a case study research design. The study targeted 445 employees in the Rift valley Textiles Industries. The unit of analysis was all employees from subordinates, middle level management and senior management. All these groups were involved because whole senior managers initiate and guide learning strategies for change management activities middle level employees participation was needed to create a shared vision of excellence they are actively involved in the core operations of the company activities.

The study adopted purposive and stratified, simple random sampling techniques. A sample of 150 employees was selected. The following table shows the sampling frame that was developed to guide the researcher in identifying respondents for the study.

Table 1. Sampling frame and population size of the study

Category	Population	Sample
Management	75	30
Middle level employees	370	120
Total	445	150

The study utilized the questionnaire and the interview schedule as research instruments. The interview was accompanied by note taking.

Results and Discussion

The study was guided by three objectives. In the first objective, the study sought to establish the existence of learning culture practices in Rift- Valley Textiles Industries, Eldoret. In order to address this

objective, respondents were required to state whether they were aware of any organizational learning and also to rate their responses alongside the following aspects which are important in relation to learning cultures: open communication, task improvement, efficient service delivery, quality service promotion, aware of change processes, team work, customer satisfaction and taking risks and challenges.

Table 2. Factors contributing to learning in the company

<i>Statement</i>	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree
Open communications at all levels	45 30.0%	72 48%	5 3.2%	21 14%	7 4.7%
Strive to improve task performance	44 29.3%	69 46%	6 4%	39 26%	3 2.0%
Aware of quality standards and ensure efficient service delivery	56 37.3 %	47 31.3%	5 3.2%	30 20%	10 6.7%
Encouraged to offer views especially in quality service promotion	43 28.7%	57 38%	5 3.2%	29 19.3%	15 10.0%
Takes part in change Processes	72 48.0%	49 32.66%	3 3.3%	11 6.6%	16 10.7%
Team work highly Exercised	45 30.0%	74 49.3%	4 2.7%	19 13%	8 5.3%
Strive to achieve customer satisfaction	52 34.7%	63 42%	6 4.0%	28 19%	7 4.7%
Seeks varied ideas from outside own experience	36 24.0%	41 27.3%	6 4%	12 8%	58 38.7%
Prepared to take risks and challenges	46 30.7%	10 13.3%	6 4.0%	53 35.3%	56 37.3%

In this case, 45(30.0%) strongly agreed, 72(48.0%) agreed, 5(3.2%) rated undecided, 21(14%) disagreed while 7(4.7%) strongly disagreed. From this, there is a combined high rating of 117(78.0%). This shows that most of the respondents were of the opinion that in the organization exchange of information was very important and that there existed open communication channels at all levels.

Concerning improvement of task performance, 44(29.3%) strongly agreed, 69(46%) agreed, 6(4%) undecided, 39(26%) disagreed whereas 3(2.0%) strongly disagreed. In this case, most of the respondents agreed. This constituted 75.0% of all the respondents. However, 28% of all respondents disagreed. This shows that 75.0% of all respondents that through learning they strive to improve task performance.

On quality standards and efficient service delivery, 56(37.3%) strongly agreed, 47(31.3%) agreed, 5(3.2%) rated undecided, 30(30%) disagreed, and 10(6.7%) strongly disagreed. From these ratings, it is evident that most respondents (68.6%) agree that they are aware of quality standards and they ensure efficient service delivery in this case the coca cola products.

Concerning increased employee participation in offering views on quality service promotion, 43(28.7%) of the respondents strongly agreed, 57(38%) agreed, 5(3.2%) undecided and 29(19.3%) rated disagreed while 15(10.0%) strongly disagreed.

With regard to the processes of change and the participation, 72(48.0%) strongly agreed, 47(31.3%) agreed, 5(3.3%) were undecided, 10(6.7%) disagreed while 16(10.7%) strongly disagreed that they were aware of the processes that enable change and take part in them.

On the other hand, on exercising team work, 45(30.0%) strongly agreed, 74(49.3%) agreed, 4(2.7%) were undecided, whereas 19(13%) disagreed and 8(5.3%) strongly disagreed. This implies that most employees embraced teamwork thereby promoting learning.

On achieving customer satisfaction is concerned, 52(34.7%) strongly agreed, 63(42%) agreed, 6(4.0%) rated undecided, 28(19%) disagreed, and 7(4.7%) strongly disagreed. From these ratings, it is evident that most respondents agree that in responding to highly and unpredictable business environment, they strive to achieve customer satisfaction.

On taking risks and challenges, it was found out that 46(30.7%) of the respondents strongly agreed, 20(13.3%) agreed, 6(4.0%) undecided and 53 (35.3%) rated disagreed while majority 56(37.3%)

strongly disagreed that they are prepared to take risks and challenges in their duties. This means that respondents believe that they do not have the expected impetus for instance in terms of motivation to take risks.

In order to address to find out the effect of organizational learning in production, respondents were required to rate their responses alongside the following aspects which are important for effective industrial production. This include, change in leadership styles, information exchange, empowerment of departments, committed and quality staff, the company's location, income generating capacity, linkages with other company's and quick in decision making.

The responses were rated as below:

Table 3. Organizational learning for competitive and effective production

Statement	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree	Totals
Leadership styles	49 32.7 %	54 36%	5 3.2 %	24 16%	18 12.0 %	150
Fostering information Exchange	67 44.7 %	53 35.3%	4 2.7 %	14 9.3 %	12 8.0 %	150
Empowerment of Departments	59 39.3%	53 35.3%	6 4%	18 12%	13 8.7%	150
Committed and Quality staff	83 55.3 %	35 23.2%	5 3.2%	18 12%	9 6.0%	150
Linkages with Other companies	62 41.3%	48 32%	5 3.2%	7 4.6 %	28 18.7%	150
Quick in decision Making	71 47.3%	56 37.2%	4 2.7%	17 12.6%	2 1.3%	150

The last objective was to find out the challenges faced in organizational learning and the strategies that can be put in place to facilitate learning and smooth transition in the organization. In order to address this objective, respondents were required to rate their responses alongside the following aspects which are important for improve production management This section dealt with how the organization can improve its learning thereby facilitate production.

Challenges faced during organizational learning

Table 4. Challenges faced during organizational learning

Statement	Strongly Agree	Agree	Undecided	Disagree	Strongly disagree	Totals
Lack of management Support	51 34 %	45 30%	8 4 %	14 9.3%	32 21.3 %	150
Slow in decision making	21 14 %	46 32.0%	5 3.3 %	70 48%	3 2.0 %	150
Economic changes	42 28.0%	58 38%	8 4%	13 12%	29 19.3%	150
Resistance by employees	74 49.3 %	50 32.7%	6 2%	16 10.0%	6 4.0%	150
Rigid organizational Structure	53 35.3%	65 44%	7 4%	11 7 %	14 9.3%	150
Fear of risks and costs associated with it	72 48.0%	37 24%	4 2%	7 4%	30 20.0%	150
Lack of motivation	57 38.0%	41 40%	7 4%	71 7.3%	4 2.7%	150

Referring to table above, any organizational smooth running and change management support plays a crucial role, lack of management support was rated as follows: 51(34.0%) rated strongly agree, 45(30%) rated agree, 8(4%) rated undecided, 14(9.3%) disagreed and 32 (21.3%) rated strongly disagree. This challenge had a combined high of 96(64%). This implies that the other percentage viewed that there was lack of management support.

Another challenge was among employees, with regard to resistance by employees on learning, out of 150 respondents, 74(49.3%) strongly agreed, 50(32.7%) agreed, 6(4.0%) were undecided,

16(10.0%) rated disagree and 6(4.0%) rated strongly disagree. It is therefore, evident that 82.0% agreed that there was resistance by employees to undertake the learning process thus posing a challenge towards realization of improved performance.

As concerns rigidity in the organizational structure, out of 150 respondents, 53(35.3%) strongly agreed, 65(44%) agreed, 7(4%) were undecided, 7(4%) rated disagree and 14(9.3%) rated strongly disagree. This implies that there's some rigidity in the organizational structure that does not allow easy learning and production processes.

Another challenge was the fear of risks and costs associated with learning and lack of motivation as shown in the table above, out of 150 respondents, 72(48.0%) strongly agreed, 37 (24%) agreed, 4(2%) were undecided, 7(4%) rated disagree and 30(20%) rated strongly disagree. It is therefore, evident that 72% agreed that there was fear to undertake the learning process thus posing a challenge towards realization of change. Again, on lack of motivation 57(38.0%) strongly agreed, 61(40%) agreed, 7(4%) were undecided, 21(17%) disagreed while 4(2.7%) strongly disagreed that there was lack of motivation for employees to embrace the learning culture and consequent production process.

Discussion

From the study it was found out that there was a culture of organizational learning in the organization. It was observed that out of 150 respondents, majority, which is represented by 74.6 %, indicated they agreed that there existed the culture of learning in the company. This implies that majority of respondents agree that organizational learning was practiced.

On the other hand, with regard to there being open communication channels at all levels for exchange of information,, it was found out that a vast majority of 70% indicated that there existed a learning culture through the presence of open communication at all levels. Concerning teamwork in the organization, the respondents indicated overwhelmingly in that 73.3 % agreed that they were often involved in teamwork in the organization. This implies that majority of the employees' participated in team learning in the organization. Other indicators of learning cultures in the organization as striving to improve task performance, encouragement to give views in quality standards, striving to improve customer satisfaction, all received a strong agreement from respondents. These variables received over 53% agreeing that they existed.

Conclusion

The culture of organizational learning requires concerted efforts to enlist the ideas and enthusiasm of everyone in the organization to ensure that a steady stream of decisions are made which will generate incremental improvement to operational and quality performance and deliver increased value to customer.

The second objective was to establish how effective production realized through organizational learning. It was found out that production had been evident through change in leadership at 59.4%, fostering information exchange at 80%, empowerment of departments at 68.6%, committed quality staff at 76%, linkages with other companies and quick in decision making at 72% and 83.3% respectively. These percentages indicate the responses that agreed to the fact that the above variables led to the realization of improved production change in the organization as shown in table. The responses from the interview schedules proved that linkages with other companies was imperative for instance in terms of marketability and new products on the market. This is in line with what Kanter (1984) says.

Regarding features of organizational learning, majority of the respondents agreed that all the features had an effect in one way or the other. These features includes; involvement by key stakeholders, internal and external environment, duration of learning, mergers and alliances with partners, new products, restructuring and expansion .it was revealed that the company was in the process of expanding in terms of setting up more depots, and coca cola branches countrywide in order to meet the growing number of consumers. This factor was supported by the management staff upon interviewing them.

Organisational Learning provide knowledge that enables the company to apply the to achieve its desired goals. for increased profitability, shareholder value, to fulfil its obligation to employees, clients and public at large, and also requirements of government departments and statutory authorities (Armstrong, 2005). Organisational learning enables the acquisition of information, skills, and knowledge for the standardization of best practices and incorporation in the company's procedure and processes.

The third objective sought to establish the types of organizational learning practices used in effective production implementation process. The findings indicated that at Rift Valley Textiles Industries, there were certain practices which in the long run facilitated learning which include; meetings which was supported by 44% saying common and 285 stating sometimes. On action plan 34% said it was a common policy and practice while 30.7% stated that it was sometimes employed in the learning process. In

addition, another important aspect was the strategic plan, regarding this, 50.7% said it was present and was being put in practise whereas 34% said they encounter it sometimes. Benchmarking was yet another policy that was discovered to be taking place in the organization as 54.7% said it was a common feature and 28% said it was sometimes used. However, job rotation was another learning practice was supported by minority respondents therefore implying that it was not a common feature in the company as shown by only 28.7% saying it was common and 8.0% stating sometimes. In this case majority of the respondents stated that job rotation was not a common feature as 45.3% said it was rare. This was the case with use of special assignments as only 33.3% stated it was a common feature while 46% said it was rare. On coaching as one of the practices to enhance learning, it was discovered that coaching was not a common learning feature in the organization as shown by the figures for and against it. Only 20% said it was common whereas 56% stated it was rare. On the contrary, it was team learning that appeared to be common supported by 49.3% and 17.3% sometimes. From the interview schedules, it was revealed that the company was in the process of expanding in order to meet the demands of the customers. It was revealed that not all employees were motivated towards learning as 58.7% said they were motivated while 41.3% said no. There is a little disparity between the two responding groups in relation them being motivated. These figures indicate that employees were motivated to learn.

Recommendations

Promoting the use ICT in Organizational Learning

The study found out that ICT was not or not commonly used in learning as found as one of the lowest rated strategy for implementing OL in the company. Low levels of appreciation of ICT in learning adversely affects knowledge creation, acquisition and transfer. This study therefore recommends that staff be equipped with adequate ICT skills especially in the searching of Internet.

Use of Participative Management

The study established that decisions were slowly implemented. A participative management or employee involvement is a democratic philosophy that respects all members of an organisation as an infinite resource able to contribute knowledge and creativity to improving its ability to survive.

Performance Coaching & Management Support

The study established that learning improved business change management the organisation are recommended to conduct continuous improvement for effective production and managers should practice performance coaching as a process of helping to improve employee performance, solve problems and secure desired organisational results.

Steering Group

The organisations should set up some forms of coordinating body such as steering group to oversee learning programmes and ensure that they are functioning properly in terms of implementation as well as the origination of practical and productive ideas.

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