

THE INTERNATIONAL JOURNAL OF BUSINESS & MANAGEMENT

Information Sharing in the Banking Industry in Kenya: Employees Perspective a Case of Barclays Bank

Christine Oiruria

Adjunct Lecturer, Department of Communication Studies, Moi University, Kenya

Abstract:

Information is considered as the Engine of most Organizations. And one of the ways of managing this critical asset is through Knowledge management. Jashapara (2004) views knowledge management as the effective learning process associated with exploring, exploiting and sharing of information that uses appropriate technology and cultural environment. Employees are always the Custodian of this Critical information. However in most cases they are left out when crucial decision on knowledge management are made. This in turn has dire consequences for instance Employees Hoarding information and lack of succession which can cause Downfalls in organizations. It's therefore imperative to find out from the employees the factors and challenges when it comes to knowledge management. This paper reports the findings of a study that was set out to examine and analyze the factors affecting knowledge management as narrated by the Employees. The study was conducted in Barclays bank of Kenya which represented the banking industry. Data was generated from different cadres of employees working at a processing centre in the bank who were: the senior manager, line managers, team leaders, the supervisors and operational officers. This data was then analyzed both qualitatively and quantitatively. The findings revealed that various factors among them culture, leadership technology reward and structure plays a very vital role in knowledge management. The employees also gave their views on how information sharing process could be improved.

1. Introduction

Davenport (1998) defined knowledge management as “a discipline that promotes an integrated approach to identifying, capturing, evaluating, retrieving and sharing all of an enterprise’s information assets. These assets may include databases, documents, policies and procedures and previously un-captured expertise and experience in individual workers. Today the world is the threshold of a new revolution. Knowledge management emerges as the most essential ingredient for the success of any individual and organization. Knowledge is also an intangible asset. In order to compete and attain success, it’s important for organizations to manage this asset. This practice is known as knowledge management or sometimes business intelligence. Knowledge management is not a new concept; however it's only in the 1990s that organizations started talking of knowledge management. International knowledge management began in 1989 in Europe. (Prusak 19970)

In today's knowledge economy, it is very important to study how organizations manage its knowledge and therein information, which is the intangible asset of an organization. In addition, it is crucial to scrutinize which factors can really affect the capability to manage knowledge and the factors affecting knowledge management outcomes. From an organization point of view, the advantages of knowledge management can occur in two levels: individual and organization (Cong & Pandya, 2003). It gives an opportunity to individual to discover, capture, share and apply the knowledge in real environment. At the organization level, it increases the financial value of the organization. Besides, it improves the performance through increased efficiency, productivity, quality and innovation (CIO Council, 2001). This paper will mainly focus on knowledge management from an individual’s perspective hence will concentrate on the aspect of information sharing among employees in the organization.

For the past 20 years banks have actively been automating their manual processes, this has resulted in the creation of many information systems even within one bank. While this system have helped better management bank processes and resources` the need to manage this knowledge is critical. The application of knowledge management in the banking industry does not really differ with other industries but the increasing complexity of bank environment makes it challenging. Banks have realized the crucial role of knowledge management in gaining an edge but there has been a laggard in the adoption of knowledge of knowledge management. Knowledge management is actually prevalent among large banks, and with the greater awareness on the importance of knowledge management knowledge management will become a priority in the banking sector.

Banks, insurance companies and all other players in the competitive financial service sector have recognized that knowledge is power (Cross and Weller, 2001). But the question is: how do they leverage that knowledge more effectively? The knowledge, in this sense, covers the range from the bank organization's own internal intellectual capital, to the wealth of data on any customer's transaction. However, the overall aim of the banking sector is to enhance their customer satisfaction and increase revenue as a result. One would have thought that this form of Knowledge Management was something that financial services companies were skilled in because of the service-based nature of their business. But this does not appear to be the case.

Few Banks or brokerages take knowledge management seriously, while a greater number of industrial companies do. Cross and Weller (2001) say that insurers have been more receptive to the benefits of knowledge management than the banking sector.

In fact, skill at knowledge management has become a critical competency for banking sector survival in the 21st century. Whether or not a bank has formally recognized the importance of knowledge management by creating their internal environment, such as chief knowledge officer, the fact is that every organization needs a Person or persons to watch over and manage the creation, storage and dispersion of knowledge (Sorrentino, 1999). These personnel should also be responsible for the creation and implementation of strategy that generates value from organizational knowledge.

Though knowledge management is not a new concept for Kenyan banks but certainly this function is not viewed as an important managerial function of banks. This is because it was the era of follow the rule and command and control style of management. The visible steps banks have taken in the recent past to meet their changing management input are as under continuous improvisation of selection procedure for quality manpower salary structure, work environment promotions etc, were certainly aimed at an objective to acquire and retain desired knowledge within the organization. However there is a much more scope to create the desired work culture within the organization in which knowledge management become an important core management function.

1.2. Profile of Barclays Bank of Kenya

Barclay's origin can be traced back to the modest business founded more than 300 years ago in the heart of London's financial district in the late 17th century. The streets of the city of London were filled with goldsmith banker. They provided merchants and monarchs with the money they needed to fund their ventures around the world. One such business was founded by John Freame and his partner Thomas Gould in Lombard Street 1660. The name Barclays became associated with the company in 1736 when James Barclays who married John Freames daughter became a partner. Barclays Bank in Kenya is one of the largest banks in this East African country. This bank began to operate since 1916 and has been serving the country sincerely since then. (Central Bank of Kenya 2014)

Barclays Bank of Kenya has established an extensive network of over 114 outlets with 225 ATMs spread across the country. Barclays is a large, diverse organization and is split up into a number of customer facing and support functions. Consumer Banking, Commercial Banking and Merchant banking are its key customer facing functions, whilst their support functions: Service Delivery, Human Resources, Risk management, Finance, Treasury, and Communications, marketing provide the backup services for effective delivery of financial services to customers. Computer and web linkage in all the branches help in the smooth transactions within all the branches. The highest number of Automated Teller Machines in Kenya belongs to the Barclays bank. The bank entered the share market of Kenya in the year 1986 and currently it has around thirty four thousand shareholders. Apart from the bank Barclay group has many other businesses and also contributes significantly to the sports sector of Kenya.

Hence as a bank Barclays with all these qualities it is evident that it is an information centered entity and it's important to choose the best initiatives to manage and handle their bank's information efficiently. Therefore, "Knowledge Management" is a term being used with the meaning of managing knowledge which comprises the practices used to capture, create, presentation and distribution of knowledge for the purposes of reuse, awareness and learning.

1.3. Statement of the Problem

Managing knowledge is always considered a very challenging task before any human resources professions yet any organization's attitude, skills and knowledge is core for efficiency and productivity. Banking is an information-centered activity, and it is a vital requirement to make information and knowledge available, at right time in the right place without delay. With the requirement of massive expansion with local and international markets, banking personnel are expected to have greater understanding and knowledge of their roles. Managing knowledge and managing risk hence is the requirement of the day. The challenge is that succession planning has also to be addressed through knowledge management.

Situation of experiencing knowledge gap in an organization whereby there are no successors after one employee has left has led to the reality that knowledge management is absolutely necessary to guide future core banking. Concerns have also been raised over the tendency of employees to hoard information especially when they view knowledge as power and as a means of ensuring job security. All these challenges can be addressed by taking a critical look at the organizational environment i.e. the factors that facilitate knowledge management. In a vast expanse of knowledge, every aspect of the firm is also changing and knowledge management through information sharing has become one of key factors to sustain competitive advantage. In particular information sharing is one of the most important processes for knowledge management. Therefore, information and knowledge sharing should not be taken for granted, but also the motivation to share knowledge must be fostered. Before launching a Knowledge Management initiative, it is critical to identify what is needed to achieve successful outcomes.

1.4. Objective of the Study

Based on the above background the General objective of the study was to Examine and analyze the factors that affect knowledge management in particular information Sharing in the banking Industry with Barclays Bank as a case study and Research Site.

1.5. Scope of the Study

In terms of the objective, this study was set to establish and analyze the factors affecting knowledge management and especially when it comes to sharing of information in the banking industry with Barclays Bank of Kenya as a case study. The study also set out to examine the challenges facing organizations in knowledge management and to remedies and way forward to improving the same.

In terms of research site, the study was undertaken in the banking sector and in Barclays bank of Kenya's Operations processing center, this is because it's the centre of almost all the processes and magnitude of information change hands there. Knowledge management is a wide area with three main elements i.e. knowledge creation, knowledge retention and information sharing. But research concentrated mainly on the aspect of information sharing. In terms of the Respondent the study only covered Barclays bank employees working in the operational processing centre this is because information traffic is found there and thus provided a fertile ground to study and analyze the concept of knowledge management and especially the aspect of sharing information. In terms of content scope the study was thus confined to knowledge sharing, carried out at the central business unit of Barclays which is operation processing centre and focus on the processes carried out at the centre.

1.6. Rationale for the Study

The study will be useful to the management of the banking industries in Kenya as it will provide a checklist of factors that affect Knowledge Management. This checklist will to be used by CEOs to assess their organizational knowledge management strategies, and their ability to foster and sustain a knowledge management initiative. The intent of such a list is to enable better assessment of the options available for promoting the management and effective flow of knowledge. Understanding the factors that facilitate knowledge transfer process will help stakeholders in the banking industry in deploying appropriate strategies to support knowledge-sharing activities. And thus the results will be used to provide guidelines for banks to improve information sharing capabilities to enhance its overall knowledge management outcome.

From the study Human Resource managers will also gain an insight on how to create a culture of Knowledge sharing from the time of inducting the employees in an organization. They will also be able to formulate policies and strategies to facilitate KM. This will motivate the employees towards effective information sharing practices. Other organizations will also benefit from this study by understanding the need for effective knowledge management in the business world. In recent years the development of hyper competition has shortened lifecycle product forcing organizations to find better ways to manage organization knowledge. From the study, other organization will also work on the factors affecting KM so as to improve their organizational performance.

Few researchers empirically tested the factors affecting knowledge management in a knowledge sharing context. Researchers will thus gain some insights on how these factors were inter related and continue further research on the topic. The study will also contribute to the body of knowledge in organization behavior and other organization related disciplines

1.7. Research Methodology

Descriptive research method was employed in this study. This method is not only restricted to facts finding but often result in formulation of principle of knowledge and solutions significant problems. This method provided clearly defined information and its finding was conclusive.

The study was carried out at Barclays Bank of Kenya, Operation Processing Centre. It targeted both Operational staff and management staff. The study targeted 186 employees who worked at the operation processing centre of Barclays. Sampling was done from five cadres of employees working in the Operational Processing Centre who are directly involved with Information at the centre and those are: The senior manager, Line managers, team leaders, the supervisors and operational officers. Out of the Target Population of 186 a Sample of 48 was obtained.

The sample of 48 employees was drawn using stratified and simple random sampling procedure. This was 25% of the Target population. This method was recommended as the study dealt with heterogeneous population, because the population was divided in senior manager, departmental manager's team leaders, supervisors and operational staff. All these have different characteristics and justify the use of stratified and random sampling this was also ensure that each category of the population was represented.

Data was then generated from this Sample population using question which included open and closed questionnaires which were tested for validity and reliability. Data was then analyzed quantitatively and qualitatively using descriptive statistics.

2. Findings

2.1. Demographics of the Respondent

A total of 48 questionnaires were distributed and out of these 40 did respond and 8 did not. Based on the analysis 83% of the total respondents fully filled and returned the questionnaires while 17% of the total respondents did not return the questionnaires. From the analysis it can be concluded that majority of respondents were able to participate in the study.

Background information of the Employees established the nature of the respondent it was found that 28 respondents were male while the remaining 12 were female. This constituted 70% of male respondents as compared to 30% of female respondents. This shows that male workers were the majority in the work place. Age is a very important factor especially when studying an organization as it will display the gender parity in the organization.

On educational level the study revealed that those who had attained college education were 6 at 15% while the rest 34 at 85% had attained university level of the formal education. No respondent reported to have attained only secondary and primary level only or no formal education at all. From the study it was concluded that majority of the respondents were university graduates. Since the study is about information sharing the level of education would help to understand the level of information literacy among the Employees.

In terms of Age the respondents who were between the ages of 18-25 years were 10 representing 25%. Those who were between 25-32 were 21 represented by majority of the significance 52% while those who were above 32 years were only 9 employees representing 23%. It was concluded that most of the employees were young and energetic.

2.2. Organizational Culture

72% of the Respondents indicated that organization culture had influenced on how employees shared information amongst themselves, while the rest at 28% indicated that organization culture had no effect on knowledge management. It was concluded that organization culture affected Information sharing.

The Respondents were also given a chance to Rate the organizations culture and While rating the organizations Culture 37% of the respondents rated organization culture as excellent, 25% believed it was good, 23% stated it was fair while 15% rated it as poor. From the study organization differently by the employees. The respondents also confirmed that within the organization there were some sub cultures that is departmental cultures. The majority of the respondents 72%who indicated that organizational culture had a great impact on information sharing, were of the opinion that if organizational culture was injected into the processes and procedures in the organization some remarkable improvement would be noted.

The respondents cited out that organization culture had improved the efficiency in their field of work through ensuring that customers are linked with other organization, although much had to be done in the private sector. They gave reasons as the to why organization culture is an important aspect in the organization they said that a strong culture leads to incredible flexibility, freed management time, improved customer satisfactory, cost effectiveness and efficiency among others positive outcomes.

2.3. Leadership

Based on the analysis 55% of the total respondents indicated that leadership affected information sharing, while 45% of the total respondents stated that leadership had no major effect on the way information is shared.

On rating the leadership in the organization 13% of the total respondents rated the overall organization leadership as excellent, 50% was good, 17% was fair while 20% was poor. From the study it can be concluded that leadership in the organization was good.

When asked if leadership affect information sharing majority of respondents 55% indicated that leadership in the organization was not adequate and therefore required some commitment. Leadership concurred was to eliminate deficiencies on knowledge management by exposing those hidden or ignored, aspects of emergent issues.

The majority of the respondents felt that leadership within the organization would ensure the activities run in an organization especially banking sector. If they are well managed and integrated with other department in order to facilitate accuracy, which is an important aspect of knowledge management.

2.4. Information Technology

Based on the analysis 73% of the total respondents indicated that information technology had an effect on information sharing while 27% of the total respondents stated that information technology had no effect on information sharing. From the study it can be concluded that information technology had an effect on information sharing.

On rating the Technological landscape of the organization 60% of the total respondents indicated that it was excellent, 23% thought it was good, 12% agreed that it was fair while 5% of the total respondents stated that it was poor. From the study it can be concluded that information technology of the organization was excellent.

To what extent does information technology affect knowledge management? The response to this question was;that majority of respondents 73% stated that network was an innovation that interconnects banking sector departments instantaneously. They also attributed interactive real time coordination of procurement management to networks. Majority of respondents were of the opinion that networking would effectively enhance procurement management in the banking sector.

Most of the respondents were aware of technology which had led to high profits. Other respondents pointed out that if there was no technology there would be poor service within the industry and information would not be shared efficiently.

2.5. Reward System

From the study it was found out that 63% of the respondents thought reward system had a direct effect on information sharing, while 37% of the total respondents stated that reward system had little effect on information sharing. The study therefore concluded that reward system affected information sharing.15% of the total respondents indicated that reward system in the organization was excellent, 50% believed it was good, and 10% thought it was fair while 25% of the total respondents were dissatisfied with the reward system and stated that it was poor. From the study it can be concluded that majority rated reward system as good.

The majority of respondents 63% indicated that reward system was critical to the development of the banking sector. It was however stated by the majority of respondents that reward system could be made better to enable others to impart skill to employees and knowledge required for effective knowledge management and thus enhancing and encouraging sharing of information. A number of respondents stated that the reward system do to some extent affect knowledge management since employees are rewarded according to the work they have done. Reward system was considered as a means of encouraging and enabling employees to utilize their full potential to work for the industry towards the objectives and goals of the organization. Some respondents also indicated that reward system was used as a means of forcing employees to work extra harder with nothing in return. Therefore, organization should call for improved reward system of employees in the industry and reward employees equitably.

2.6. Organizational Structures

65% of the total respondents were in agreement that organization structure affected knowledge management thus information sharing is also affected, while 35% of the total respondents stated that organization structure had no effect on knowledge management. From the study it can be concluded that organization structure affected knowledge management

As to how they rated organization structure the analysis was as follows;38% of the total respondents thought it were excellent, 32% thought it was good, 20% believed it was fair while 10% of the total respondents thought it was poor. From the study it can be concluded that organization structure was above average.

Majority of the respondents thought that organizational structure has an effect on knowledge management. Every manager has his own management strategies which can translate the type of organizational structure to be established as well as the number of departments in an organization or the size of the organization

65% of the respondents stated that organization structure was the driving force behind every successful or failed endeavor. Majority however concurred that proper organization structure in the banking sector would be enhanced if the management was up to the standards.

3. Summary of Findings, Conclusion and Recommendations

The summaries of major research findings of the study are discussed and on the basis of these findings, conclusions are drawn and recommendations.

3.1. Summary of the Findings

The majority of the respondent felt that management had a lot to do to ensure the activities run in an organization departmental and proper organization culture was to facilitate accuracy and set standards.

Leadership was also another important aspect of knowledge management that was highly rated by majority of the respondents. They further stated that leadership would enhance coordination of activities. They also felt that leadership should be improved to facilitated proper knowledge information sharing

The majority of organization had failed to embrace information technology as a means to better manage resources which is essential requirement for their competitive advantage. This was because of the nature of duty they performed and lack of time resources to do so. Majority of respondents were of the view that information technology affected knowledge management and that a little time need be spared for them to use IT for Knowledge Management.

Respondents also attested to the fact that reward system, motivating and training do to some extent affect information sharing. Though most of them were not happy with the way it was done. They were of the view that if the employees do not have the morale of working reward was to force an individual to work. So they had to work hard to get rewarded and had no time to share knowledge. They suggested a reward System that could helps them to have knowledge, skills attitude and culture that can help individual in one way or the other.

Most of the respondents were in the agreement that a great need was to be applied for good management strategy that can influence positively the knowledge management of the organization and hence satisfaction. As a result of a good organizational structure operating in the current global situation was deemed to flexible and efficient in its operation

3.2. Conclusion and Recommendation

The results from the study have clearly indicated that provision of organization culture, leadership, information technology, and reward system and organization structure would go a long way in enhancing information sharing.

The organization should improve organization culture practices, not only through training of staffs but also in hiring of high caliber experienced staff in order to record efficiencies and effective work performance. This will raise the organization's general productivity, and raise staffs moral and making the staffs satisfied with the organization towards better service to customers, which will automatically increase the growth and development on knowledge management.

Leadership strategies determine how organizational goals can be achieved effectively and efficiently. If this process of designing and maintaining conducive environment in which people / staff are involved to work together is well defined and implemented then selected aims of improving information sharing can be enhanced. From the respondent they suggested on training for leaders on how to manage knowledge effectively and also to motivate the employees to share knowledge.

The research recommended that computer aided technology should be embraced if management was to be effective. Management should be innovative enough in adoption of modern management systems that have global connotations. It was also recommended that Employees be given time to share Knowledge through IT, and trained on how to do so without wasting time.

Rewarding system has to be improved so that employee can have that morale of performing their work fully and also sharing knowledge. Also reward policy and practices that more likely to be accepted and understood should be embraced. These could be effective if staffs are given a voice in the design and management of the reward policy. Management should put in to consideration the rewarding system that should be followed throughout the organization the rewarding system that will help the organization to run more smoothly in its day- to- day operations thus achieve the organization objectives and goals and also help the organization in achieving competitive advantage.

Organization structure should be lean and efficient. Organization structure that is devoid of bureaucratic bottlenecks should be dismantled for a less rigid one and set according to benchmarks for quality control purposes.

3.3. Suggestions for Further Studies

This study dealt with the factors that affect Knowledge management in the banking sector. From the findings it's clear that further research can be done, in the same area but expanding the scope. Suggested areas are: The role of Human Resource in Knowledge management. Future researchers can also be done on the effect of Knowledge management on organizational performance.

4. References

- i. Amidon, Debra M, (1997), Innovation Strategy for the Knowledge Economy, Heinemann,
- ii. Bass, B. M. (1985), Leadership and performance beyond expectations, Free Press, New York
- iii. Bukowitz, W.R.& Williams, R.L, (1999), The knowledge management field book, Pearson Education, Harlow...
- iv. Cross R &Weller Winning through knowledge (knowledge management in banks financial world 19 UK 2001.
- v. Davenport, T. H., & Prusak, L. (1998). Working knowledge: Managing what your organization knows. Harvard Business School Press, Boston.
- vi. Drucker, P. Management challenges for the 21st century. Harper Collins, New York:1999
- vii. Frid, R., J. Infrastructure for Knowledge Management, Writers Club Press. San Jose, USA. 2000
- viii. Jashapara A Knowledge Management: An integrated Approach Ft prentice hall Essex 2004
- ix. Lawrence, P., J. Lorsch. Organization and Environment: Managing Differentiation and Integration. Harvard University Press, Boston, MA. 1967
- x. Mintzberg, Henry the Structuring of Organizations, Englewood Cliffs, Prentice-Hall NJ. 1979
- xi. Nadler David A. and Michael L. Tushman Strategic Organization Design, Harper Collins. New York .1988
- xii. Nonaka, I. and Takeuchi, H. The Knowledge Creating Company, Oxford University Pres, London.1995
- xiii. Prusak, Laurence, Knowledge in Organizations: Butterworth-Heinemann, Boston.1997.
- xiv. Tobin, D. Transformation Learning: Reasoning Your Company through
- xv. Knowledge and Skills, John Wiley & Sons,1996.
- xvi. Schein, E. H. Organizational Culture and Leadership. Second Ed. Jossey-Bass, San Francisco. 1992
- xvii. Von Krogh, G., Ichijo, K. and Nonaka, I., Enabling Knowledge Creation: Oxford University Press.2000