Knowledge Management dimensions and their impact on retail performance in Zimbabwe

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ABSTRACT

The importance of Knowledge Management (KM) in retail organisations is widely acknowledged by many Human Resources practitioners and academicians in Zimbabwe and the world over, yet there seems to be a paucity of research in this field. To address this dearth of published studies, the current study seeks to investigate the impact of KM success factors namely leadership, corporate culture, Information Technology (IT) infrastructure, measurement and evaluation, employee needs, organisational structure, and roles and responsibilities on retail performance in Zimbabwe. The conceptualised model and the hypothesis are empirically validated using a sample of 175 retailers in Harare, Zimbabwe. The findings reveal that leadership, corporate culture, IT infrastructure, measurement and evaluation, organisational structure, and roles and responsibilities are significant predictors of retail performance. However, employee needs did not show a significant effect on retail performance. Therefore, to improve their performance, retail organisations should make efforts to invest in KM initiatives.

Key words: Knowledge management, performance, corporate culture, leadership, organisational structure, performance

1. INTRODUCTION

The Zimbabwean retail industry is becoming more congested as some foreign players such as Pick' n Pay and Choppies are making their way into the local market. More so, the increasing scourge of informal trading, shrinking markets due to low disposable income and high unemployment as well as general low economic activity characterised by liquidity crunch and poor industrial capacity have threatened the retail business. Apart from that, rapid changes in technology have exposed retailers to the risk of elimination from the distribution channel since producers and consumers can now interact more easily than ever before. In light of these threatening developments, most retail organisations are compelled to seek new strategies for survival and growth. In this era of information revolution, embarking on KM initiative appears to be a key strategic management tool that can be adopted in order to cope with the changing business environment. Indeed, every retail organisation seeking to gain competitive advantage in terms of efficiency, profitability and cost effectiveness is persuaded to embark on a KM initiative of some sort. Should implementation modalities be the missing link? This research will shed light by providing an assessment of the KM factors that enhance the performance of retail business in Zimbabwe.

Although there is much research work previously done on the aspect of KM, there seems to be little attention paid to the KM factors that enhance the performance of business, particularly with respect to retail business in a developing country like Zimbabwe. In their study of the critical success factors for implementing KM, Karami, Alvani, Zare and Kheirandish (2015) stress the need for a more systematic and deliberate study on critical success factors for implementing KM. Research is, therefore, needed to provide more insights on important KM factors that enhance organisational performance. Martensson (2000) conducted a critical review of KM as a management tool and emphasised the need for organisations in Sweden to exercise good capacity to retain, develop, organise and utilise their knowledge capabilities. The study maintains that KM is a necessary factor for organisational survival and competitive strength. Having noted that there is hardly any study previously conducted to assess the critical success factors of KM initiatives in the retail industry in Zimbabwe, this research seeks to fill the identified literature gap by addressing the following objective:

To ascertain the impact of KM success factors (leadership, corporate culture, IT infrastructure, measurement and evaluation, employee needs, organisational structure, roles and responsibilities) on retail performance in Zimbabwe.

The results of the study are expected to provide invaluable new insights and/or help cement existing ideas thereby adding some intellectual value to KM as a field of study in Strategic Management. This research can also produce valuable information that help retail organisations in Zimbabwe formulate successful strategies to ensure competitive advantage in business. Lastly, this research study is important in that it helps prepare a platform for further research by providing groundwork that might form part of literature in future studies on critical success factors of KM initiative.

The rest of the paper is arranged as follows: the second part presents the review of literature on critical success factors for KM and the influence on business performance. The third part discusses the methodology used in the study while the fourth part presents data analyses, results and interpretation. The study will be concluded by discussion of the results and suggestions for future research.

2. KNOWLEDGE MANAGEMENT
KM is about making sure an organisation can learn, and that it will be able to retrieve and use its knowledge assets in current applications as and when they are needed (Gamo-Sanchez and Cegarra-Navarro, 2015). It should not only be concerned with the notions of knowledge transfer and knowledge sharing, but with the entire knowledge acquisition and utilisation process, including locating and capturing as well as enhancing the creation of new and up-to-date knowledge within the firm (Barker, 2015). KM has now become the latest strategy for achieving organisational competitiveness (Gamo-Sanchez and Cegarra-Navarro, 2015). According to BenMoussa (2009), most firms now find it inevitable to invest heavily in KM with the aim of building a knowledge capacity and use it to achieve competitive advantage. On the other hand, Desouza (2003) mentions that KM has emerged as a pivotal task for organisations to survive in today's competitive marketplace. Organisations now realise the need to exploit not only the tangible but also intangible assets such as business knowledge for effective and efficient attainment of organisational goals (BenMoussa, 2009). The benefits that are associated with successful KM initiative include providing competitive advantage through allowing organisations to solve problems and seize opportunities. The other benefits include increased responsiveness and innovation, cost-saving, supported decision making, facilitated collaboration among organisations' members, increased employee productivity as well as mitigating knowledge loss associated with employee turnover (BenMoussa, 2009).

2.1 Critical Success Factors for Knowledge Management
The success of a KM initiative depends on many factors, some of which are within an organisation's control and others are beyond. Joshi (2014) puts the critical success factors of KM into five primary categories, namely (1) leadership; (2) culture; (3) structure, roles and responsibilities; (4) information technology infrastructure and (5) measurement and evaluation. The other identified key success factors for KM which when implemented will improve business performance include strong link to business imperative, compelling vision and architecture, knowledge leadership, knowledge creating and sharing culture, continuous learning, well developed technology infrastructure and systematic organisational knowledge process (Bhuasiri and Xaymoungkhoum (YEAR?), Zo, Rho and Ciganek, 2012; Dulayami, 2015; Xu and Quaddus, 2012). Leadership plays a key role in ensuring success in KM because leaders model behaviour that ensures employee performance and consequently organisational performance (Donate, 2015). In the same vein, Soliman and Spooner (2000) submit that leadership drives business performance KM initiatives since it helps set a clear and well-planned strategy that provides foundation for the way in which organisations deploy their capabilities and resources to achieve their KM goals. With regards to organisational culture, Dulayami (2015) argues that management should ensure the right attitude, develop skills and aptitudes of employees in order to have an effective KM system. Wong (2005) emphasises that, establishing a group of people with

specific and formal responsibilities for KM is also crucial. In terms of measurement and evaluation, Wong (2005) proceeds to state that measuring KM is necessary because it enables the organisation to evaluate progress towards the attainment of its envisioned goals of KM. This is so because measurement provides a basis for organisations to evaluate, compare, control and improve on the performance of KM initiative. Another important success factor for KM is ensuring that the needs of employees are met because once employees' loyalty is secured, knowledge transfer through mentoring, technology and diversification could be rightly harnessed for optimal results in entrepreneurial development (Lopez, Peon and Ordas, 2004). To BenMoussa (2009), the factors critical to KM include corporate strategy, motivation, employee retention, availability of resources, and an enabling environment.

In the same vein, other scholars such as Desouza (2003) and Du Plessi (2008) mention IT, leadership and the preparedness of the organisation's stakeholders to share knowledge as important factors. To this end, BenMoussa (2009) suggests that the biggest hurdle to KM has nothing much to do with implementing cutting edge IT solutions but motivating people to contribute to the KM effort through sharing their know-how at the workplace.

2.2 Business Performance
Most researchers tend to agree that both objective and subjective measures are now being used by organisations to assess their success (Chow & Van der Stede 2006; Panigyrakis & Theodoridis 2009). Objective assessment typically involves evaluating business performance with orientation to financial measures, while subjective measures are based on personal opinions about business performance (Reijonen, 2008). Traditionally, assessment of business performance has been based on financial measures such as return on investment, return on assets, return on sales, revenues growth, profitability as well as market share or number of employees (Juson, Ibrahim & Zainuddin, 2008; Reijonen, 2008). Pun & White (2005) agree with this argument and point out that financial methods are easy to measure and manage hence popular with organisations. The other advocates of financial measures are Verbeeten & Boons (2009) who argue that financial measures are subjected to internal controls thereby making them reliable and comparatively easy to comprehend. However, other researchers criticise financial measures for their lack of accessibility by researchers and the public and for their reliance on historical data (Panigyrakis & Theodoridis, 2009; Verbeeten & Boons, 2009). In this regard, some scholars (Chow & Van der Stede, 2006 and Robinson et al., 2005) recommend the use of non-financial business performance measures. Verbeeten & Boons (2009) state that, non-financial measures of business performance are those that provide information in non-monetary terms, for example, market share, customer satisfaction, employee turnover and new product development. Similarly, Juson & Parnell (2008) suggest varied subjective measures such as ethical behaviour, customer satisfaction and retention, employee motivation and retention, volume of sales, market share, quality of products/service, business image, delivery performance, process improvement, throughput time, quality, machine flexibility and inventory levels. Robinson et al. (2005) state that non-financial performance assessments have become essential because of the demand for variations in business reporting due to failure of businesses which exclusively relied on financial measures. Chow & Van der Stede (2006) argue for non-financial performance measures, citing that they cover several business performance aspects and activities that are not easily quantifiable. Similarly, Verbeeten & Boons (2009) suggest that non-financial performance measures provide better information on scopes that are not perfectly apprehended by traditional financial measures.

There is evidence to show that businesses now combine the financial and the perceptual measures to evaluate their performance. Verbeeten & Boons (2009) explain that the non-financial and financial indicators need to supplement each other in appraising business performance. Similarly, from their study of Malaysian manufactures, Juson et al. (2008) note that some organisations are equally employing financial and non-financial business assessment methods. Furthermore, Robinson et al. (2005) show that a significant number of organisations in UK use varied measures of both financial and non-financial methods to assess business performance. Juson et al. (2008) also believe that the integrated measurement system helps a business to evaluate its performance wholesomely.

Based on the literature from previous studies reviewed, the critical success factors being considered to underlie the implementation of a KM initiative include leadership, corporate culture, IT infrastructure, measurement and evaluation, employee needs, organisational structure and roles and responsibilities. In this study, retail performance is measured in terms of profitability and cost effectiveness. The independent variables are the KM success factors (leadership, corporate culture, IT infrastructure, measurement and evaluation, employee needs, organisational structure and roles and responsibilities) while the dependent variable is retail performance which is measured by profitability and cost effectiveness. From the foregoing discussion, the following hypothesis was postulated:

> H1: KM success factors (leadership, corporate culture, IT infrastructure, measurement and evaluation, employee needs, organisational structure and roles and responsibilities) have a positive effect on retail performance.

3. METHODOLOGY

This research adopts a quantitative, cross-sectional design to study the critical success factors and benefits of KM initiative in the retail business. The quantitative research design was used because it is regarded as an effective method to produce conclusive results (Sahu, 2013). The population of this research was made up of formal retail organisations operating in the Zimbabwean retail industry and these include OK Zimbabwe Group, Spar chain, TM, Pick 'n' Pay, Choppies, Food World and several other independent retailers scattered around the country. The unit of analysis in this study included junior, middle and senior managers of retail organisations in Harare. The sampling frame was taken from the company register from Registrar of companies and confined to Harare supermarkets. Simple random probability sampling method was used as every retail outlet manager had the equal chance of being selected. The process resulted in 175 structured questionnaires being distributed to different retail organisations. 153 questionnaires were returned, giving an 87% response rate.

3.1 Data collection procedures

A structured questionnaire which included closed ended questions was used. The total number of questionnaires distributed to respondents was 175. Approximately, 75% of the questionnaires were emailed and about 35% were hand delivered in an endeavor to stimulate a better response rate. The questionnaires were accompanied by a cover letter which detailed the purpose of the study as well as the instructions on how to respond to the questions. The process resulted in 175 structured questionnaires being distributed to different retail organisations. 153 questionnaires were returned giving an overall response rate of 87.4%.

3.2 Data analysis

The data analysis for this study consisted of inspection of the questionnaires for completeness and correctness of information captured. Data was then captured into SSPS and an examination of descriptive responses according to frequency distributions and descriptive statistics was performed. Correlation analyses where performed to assess the degree of association between variables under study. Multiple regression analysis was also conducted so as to identify the extent to which the variables under study influence retail performance.

3.3 Reliability and validity measures

To test for reliability, the Cronbach's Alpha (?), which is a measure of internal consistency between measurement items, was computed. As shown in Table I, the Cronbach's alpha values ranged from 0.700 to 0.770, thereby surpassing the minimum threshold of 0.6 recommended by Saunders (2011). The spearman's correlations coefficients were computed to assess convergent validity. The study reported significant positive correlations ranging from $r = 0.107$ to $r = 0.621$ (at $p < 0.05$) signifying the attainment of convergent validity. The construct correlation matrix is reported in Table II. Regression analysis was used to assess predictive

validity. Causality was shown by all independent variables, that is, leadership, corporate culture, organisational structure, roles and responsibilities, information technology infrastructure, measurement and evaluation, and employee needs, with the dependent variable, retail performance, as shown in Table 1, thus demonstrating the attainment of predictive validity.

Table I: Tests for Reliability

Construct	Items	Cronbach's Alpha
Leadership	5	0.752
Culture	5	0.735
Structure	4	0.700
Information	5	0.700
Evaluation	6	0.718
Employee	4	0.700
Benefits	6	0.770

4. RESULTS

4.1 Sample composition

In terms of gender of respondents, 51 (33.3%) were females and 102 (66.7%) were males. The highest frequent age group was 30 to 35 years while the age group ranging from 45 to less than 50 years appeared least frequent age group with only 6 out of 153 managers who took part in the study, thereby making up 3.9% of the sample. In terms of qualifications, the majority of respondents in the sample had a diploma which scored the highest frequency of 57 out of 153 participants which gives 37.3% of the sample. The least frequent qualification was certificate which scored a frequency of 21 participants which is 13.7%.

4.2 Correlation Analysis

In order to ascertain the degree of association between constructs under investigation, the Pearson correlation was computed. The results are shown in Table II below.

Table II: Correlation between Constructs

	Leadership	Culture	Structure	Information	Evaluation	Employee needs	Performance
Leadership	1						
Culture	0.314*	1					
Structure	0.186*	0.160*	1				
Information	0.171*	0.218*	0.491*	1			
Evaluation	0.107*	0.205*	0.266*	0.473*	1		
Employee needs	0.621*	0.35*	0.395*	0.668*	0.444*	1	
Performance	0.303*	0.170 *	0.259*	0.185*	0.400*	0.503*	1

Correlation significant at 0.05 (one-tailed)

4.3 Regression Analysis and hypotheses testing

Regression analysis was conducted to establish the magnitude and direction of the causal relationship suggested by the correlation analysis performed above. The regression is run between selected KM success factors and the perceived benefits of KM initiative to a retail business. In this regression analysis, critical success factors of KM are considered as explanatory or independent variables while benefits of KM initiative

or retail performance form a composite explained variable or the dependent variable. The following table provides details of the regression results.

Table III: Regression Coefficients

Model	Unstandardised Coefficients		Standardised	t-Statistic	Significance
	Beta	Standard Error	Beta		
Constant	2.685	0.483		5.932	0.000
Leadership	0.186	0.012	0.089	2.978	0.002
Culture	0.214	0.039	0.181	3.124	0.013
Structure	0.173	0.128	0.027	3.109	0.008
Information	0.190	0.071	0.064	2.998	0.029
Evaluation	0.179	0.114	0.156	3.402	0.007
Employee needs	0.182	0.036	0.097	2.911	0.082

$R^2 = 0.623$, Adjusted $R^2 = 0.579$, F=5.434, $p<0.05$.

As shown in Table III, the Model produced an adjusted R^2 of 0.579 implying that, about 58 percent of retail performance could be explained by the independent variables. The p-value was less than the critical 0.05, which demonstrates that the model comprising of leadership, corporate culture, organisational structure, roles and responsibilities, information technology infrastructure, measurement and evaluation, and employee needs is significant/fit to estimate retail performance with an F-value of 5.434 and p-value of 0.000. Considering the standardised coefficients in Table III, leadership (?= 0.089, p<0.05), corporate culture (?= 0.181, p<0.05), organisational structure, roles and responsibilities (?=0.027, p<0.05), information technology infrastructure (?= 0.64, p<0.05), and measurement and evaluation (?= 0.156, p<0.05) are significant factors predicting the retail performance as their p-values are less than 0.05. However, employee needs had rather an insignificant coefficient as the p-value was greater than 0.05 (?= 0.097). The standardised coefficients were used as they deal with variables that have been transformed into comparable units.

Therefore, the hypothesis stating that *KM success factors (leadership, corporate culture, IT infrastructure, measurement and evaluation, employee needs, organisational structure and roles and responsibilities) have a positive effect on retail performance* is partially accepted.

5. DISCUSSION OF RESULTS AND RECOMMENDATIONS

This study advances our understanding of the KM factors that determine the performance of retail organisations. KM dimensions namely leadership, corporate culture, organisational structure, roles and responsibilities, information technology infrastructure, and measurement and evaluation emerged as significant KM factors that influence the performance of retailers. This shows that these factors can be used to ensure an improved retail performance. The results imply that retailers operating in Zimbabwe and other developing countries need to enforce KM initiatives in order to ensure an enhanced performance. The implication is that, leadership that is up to the task is required as a means for driving success in KM initiative since it helps set clear and well-planned strategy that provides foundation for how organisations deploy their capabilities and resources to achieve their KM goals (Wong, 2005). Corporate culture is critical because it ensures the right attitude, skills and aptitude among employees in the organisation (Babalola and Omobowale, 2013).

IT infrastructure is important because it does not only lower the cost structure; it also increases strategic flexibility in addition to facilitating the creation and utilisation of knowledge, especially for firms competing in dynamic markets (BenMoussa, 2009). With regards to employee needs, Ben Moussa (2009) argues that, in order to deliver desirable goals of KM, employee motivation is critical. Retaining employees through providing opportunities to grow and advance their career is, therefore, central to successful KM.

Corporate culture (?= 0.181) emerged as the most significant factor, followed by measurement and evaluation (? = 0.156). This shows that an organisation culture that promotes learning and knowledge acquisition leads to improved performance. In addition, the more frequent and effective an organisation measures and evaluates progress in goal achievement, the more it may enhance its performance. However, employee needs showed an insignificant relationship with retail performance. This finding contradicts Du Plessis' (2008) assertion that unless employee needs are met, it is difficult to motivate them to work hard in KM activities. Desouza (2003) also points out that knowledge originates in the minds of individuals and so it must be realised that unless organisation's stakeholders are motivated to share, KM cannot deliver desirable goals.

The findings are important to Zimbabwe in particular and to developing countries in general because the business environments of these countries are characterised by limited KM initiatives. To encourage more KM initiatives thereby enhancing business performance, retailers should ensure the following: leadership that drives knowledge acquisition and sharing, constant measurement and evaluation of performance, invest in information technology, put in place proper corporate culture and a culture that promotes knowledge acquisition.

On the academic side, this study makes a significant contribution to both KM and business performance literature by investigating the KM success factors that influence firm performance in a developing country such as Zimbabwe. By and large, the findings of the current study provide tentative support to the proposition that KM factors namely leadership, corporate culture, organisational structure, roles and responsibilities, information technology infrastructure, and measurement and evaluation, should be recognised as significant antecedents for business performance in the context of a developing country such as Zimbabwe.

6. LIMITATIONS AND AREAS OF FURTHER STUDY
The study focused only on retailers operating in Harare, but due to different conditions and cultures, the results might not be applicable to other cities such as Bulawayo, Gweru and Mutare and to other developing countries. The study can be strengthened by carrying out a study comparing KM practices in large, medium and small retailers. It would also be insightful if other studies investigate KM initiatives in public enterprises and government departments. The study could also be improved by carrying out a comparative study between retailers and other sectors in the private sector. The findings of this study and the suggested future avenues of study can contribute in generating new knowledge to the existing body of KM in a developing country, a context that has generally been neglected by researchers.

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